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सत्यमेव जयते

Thursday
17th July, 1952

PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

(Part I - Questions and Answers)

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Members Sworn [Cols. 2—18].

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THE
PARLIAMENTARY DEBATES
(Part I—Questions and Answers)
OFFICIAL REPORT

HOUSE OF THE PEOPLE

Thursday, 17*th July* 1952

The House met at a Quarter Past Eight of the Clock

[MR. SPEAKER, *in the Chair*]

MEMBER SWORN

Shri M. D. Ramaswamy: (Aruppukotta).

ORAL ANSWERS TO QUESTIONS

SPECIAL AIR MAIL SERVICE

***1833. Sardar Hukam Singh:** (a) Will the Minister of **Communications** be pleased to state whether the special Air mail service carries second class mails as well?

(b) Which are the countries that are being served by this special air mail at present?

(c) Are there any countries which are not connected to India for this special service?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) Special air mail service was a term used to denote the conveyance by air of second class mail for foreign countries at rates of postage inclusive of air fee; it therefore refers to second class mail only.

(b) and (c). At present, this service is available to all countries of the world to which air mail service for first class mails is available, with the exception of Ceylon and Pakistan, for which countries the postage payable on second class mail conveyed by air is lower than the charge fixed under the special air mail service.

Sardar Hukam Singh: Was the Indian proposal for a uniform rate for carriage of mails of other countries on international lines accepted?

Shri Raj Bahadur: Since 1st December 1951 an agreed system is in vogue, and now the whole of the world has been divided into certain zones and the charges on mails and postage are levied on that basis.

Sardar Hukam Singh: Are there any mails which are carried at reduced rates by these special air mail services?

Shri Raj Bahadur: As I said, second class mails are carried at a reduced rate compared to first class mails which are also carried by air.

Sardar Hukam Singh: Were there any special reasons for the change-over from the Pan American Airways to the British Overseas Airways in the despatch of mails to Tokyo?

Shri Raj Bahadur: I do not think there was any special reason, but it came as a matter of consequence following certain changes introduced by U. K. in the system of conveyance. mails. As a matter of fact, U. K. came first of all with this system of conveyance of second class mails by air in 1949. Others followed suit. Therefore the B.O.A.C. should have been used. That is just what I as a matter of course suppose.

Sardar Hukam Singh: Has the distinction between European and non-European mails been abolished altogether, or does it exist still?

Shri Raj Bahadur: The whole thing is now based upon a certain zonal system which prescribes different rates for second class mails.

Shri Bansal: Am I right in thinking that second class air mails cover book posts?

Shri Raj Bahadur: It covers newspapers, printed papers, business papers sample packets and literature for the blind.

IMPORT OF RICE FROM THAILAND

***1834. Shri S. C. Samanta:** (a) Will the Minister of **Food and Agriculture** be pleased to state whether it is a fact that India has recently signed a contract with Thailand for the supply of rice?

(b) If so, what is the quantity of rice to be received?

(c) Have the shipping arrangements been made and by which time the delivery would be taken?

(d) What is the price of rice settled?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) Yes Sir.

(b) 1,60,000 metric tons.

(c) Shipping arrangements have already been made except for some 22 thousand tons.

The delivery is to be taken by the 15th September, 1952.

(d) It will not be in the public interest to disclose just at present the price of the rice.

Shri S. C. Samanta: May I know whether this import arrangement was made privately with Thailand or through World Food Organisation?

Shri Karmarkar: I suppose it was done between government to government, so far as I can answer my friend at present.

Shri S. C. Samanta: May I know whether Thailand helps us in giving shipping facilities?

Shri Karmarkar: I have no idea about the matter.

Shri S. C. Samanta: May I know whether it is a fact that the price of the rice has changed during the last three years?

Shri Karmarkar: It is likely to have changed, but I am not sure.

Shri P. C. Bose: What is the basis of fixing the price of the rice—bilateral or international?

Shri Karmarkar: It is on a basis between us and them.

Shri Velayudhan: Was the purchase made before settling the price?

Mr. Speaker: The answer is obvious.

Shri M. S. Gurupadaswamy: What is the period of the contract?

Shri Karmarkar: It was a lump contract. The agreement was signed on the 31st January 1952 and the contract ends on 15th September 1952.

Shri T. N. Singh: In the past there have been complaints in regard to the proper grading of rice that is imported from Thailand. May I know whether this time Government have taken any steps for the proper grading and standardisation of the quality of the rice?

Shri Karmarkar: I suppose every time we take sufficient care.

Shri Raghavaiah: May I know what is the quantity given to the famine-stricken areas in India out of this rice that is imported from Thailand?

Shri Karmarkar: Sir, that is about the internal distribution and I would like to have notice.

TELEGRAPH AND TELEPHONE SERVICES

***1835. Dr. Ram Subhag Singh:** Will the Minister of **Communications** be pleased to state:

(a) the names of cities which are linked with overseas countries with submarine cable routes; and

(b) the names of cities which are linked with overseas countries with radio telegraph and telephone services?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) Three, namely, Bombay, Madras and Dhanushkodi;

(b) Three, namely, Bombay, Delhi and Madras—Bombay by both telegraph and telephone and Delhi and Madras by telegraph only.

Dr. Ram Subhag Singh: May I know whether preliminary work has started in any city on the expansion project of the external wireless communications system?

Shri Raj Bahadur: Yes, it has started at Calcutta.

Dr. Ram Subhag Singh: May I know in which of these three cities the expansion programme is likely to be completed this year?

Shri Raj Bahadur: I cannot exactly say whether it would be possible this year, but as I have already said we have acquired a site for transmitting station at Calcutta we have also acquired equipment for a pilot station there and we are going to acquire very soon a site for the receiving station also.

Dr. Ram Subhag Singh: May I know the amount of money allocated to these three cities for this purpose?

Shri Raj Bahadur: I cannot give it from memory, but that question I have replied earlier during this session.

Shri Nana Das: What are the countries with which we are having this sort of communication?

Shri Raj Bahadur: It is a long list, Sir.

Mr. Speaker: The information has been given before.

DOLLAR EARNING CROPS

*1836. **Shri Shivananjappa:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether it is a fact that the Government of India have set up a Committee in respect of dollar-earning crops;

(b) if so, the personnel of the Committee; and

(c) the progress made by the Committee so far?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) Yes.

(b) (1) Shri K. R. Damle, I.C.S., Joint Secretary to the Government of India, Ministry of Food and Agriculture—*Chairman.*

(2) Agricultural Commissioner with the Government of India.

(3) Dr. T. G. Shirname, Agricultural Marketing Adviser to the Government of India.

(4) Shri A. K. Menon, representing producing areas.

(5) Shri N. Alexander, representing producing areas.

(6) Shri C. M. John, Director, Coconut Research Station.

(7) Shri A. K. Yegnanarayana Iyer (who resigned due to ill health), and

(8) Secretary, Indian Council of Agricultural Research.

(c) The Committee has been collecting information from interested persons, associations and planters etc. by enquiries on the spot. It has already finished its work in Travancore-Cochin. It will visit the other States of Madras, Mysore, Coorg, Bombay and Orissa as soon as possible and submit a report thereafter.

Shri Shivananjappa: Are there any representatives of cultivators serving on this Committee?

Shri Karmarkar: As I said, there are two representatives who represent the producers' interests.

Shri Shivananjappa: May I know what are the crops which are classed as dollar-earning, how much dollar they earn and from what countries?

Shri Karmarkar: I would refer the hon. Member to the sea-borne trade figures which are available in the Library of the House.

Shri P. T. Chacko: What are the functions of the Committee which, it is stated, is collecting statistics? Statistics about what?

Shri Karmarkar: The idea was this. The attention of the Planning Commission was drawn early last year to the inadequate attention paid to the various aspects of production and marketing of some of the important dollar-earning crops in the South like pepper, cardamom, cashewnut, turmeric, ginger, lemon-grass, etc. and the need for taking concerted measures to promote production and export.

Shri Bansal: May I know if coconut is also exported, because there is one person on this Committee from the Coconut Research Station?

Shri Karmarkar: The coir is exported, not coconut.

G. N. I. T. COMPANY

*1838. **Giani G. S. Musafir:** Will the Minister of **Transport** be pleased to state:

(a) the total amount paid by Government to the Gwalior and Northern India Transport Company when the latter was nationalised;

(b) the amount out of the total which related to the cost of vehicles and stock and how much was paid as compensation to the company;

(c) whether there was any agreement making it obligatory on Government to retain all their staff and continuing *status quo* with regard to their pay and allowances etc.;

(d) whether there was any agreement with the Company that for a period of five years the Company will be entitled to run its buses on any of the routes which Government might at some later stage give up; and

(e) the basic principles of the evaluation of the buses and other stock?

The Parliamentary Secretary to the Prime Minister (Shri Satish Chandra): (a) Rs. 26,55,019/-.

(b) Rs. 25,66,919/- on account of the cost of vehicles and stock, and Rs. 88,100/- as compensation.

(c) One of the terms of the agreement entered into by Government with G.N.I.T. Company provided that Government would take over such of the staff of the Company drawing a salary of rupees five hundred per mensem or less as were in the employment of the Company for manning its bus service in Delhi on the 28th October, 1946 (the date on which Government made known its intention to acquire the company) and had remained in its employment till the 14th May, 1948 (the date on which the Government took it over), provided they were found suitable, on terms not less liberal than those on which the employees were employed by the Company on the former date.

(d) No.

(e) The basic principles agreed upon between the Company and the Government for the valuation of the assets taken over by the Government were as follows:—

Motor Vehicles: Replacement cost on the date of transfer less depreciation at the rate of 25 per cent. per annum on declining values with a provision for upward or downward adjustment to the extent of Rs. 500/- depending upon the condition of each vehicle as assessed by the valuers.

Unused spare parts: Original cost price.

Property other than motor vehicles and unused spare parts: Market price on the date of transfer.

گیانی جی - ایس - مسافر - ٹرانسپورٹ نیشنلائزیشن کے متعلق اس وقت سرکار کی کیا پالیسی ہے -

[**Giani G. S. Musafir:** What is the present policy of Government with regard to transport nationalisation?]

श्री सतीश चन्द्र : इस के बारे में एक बिल ट्रान्स्पोर्ट कारपोरेशन बिल जो हाउस ने पास किया है उस में पालिसी दी हुई है। अब मोटर वेहिकल ऐमेन्डमेन्ट बिल अगले सेशन में गवर्नमेन्ट और लाने वाली है।

Dr. Jaisoorya: I would like the hon. Minister to repeat the answer in respect of part (b) of the question regarding the cost of vehicles and how much was paid as compensation.

Shri Satish Chandra: It was Rs. 25,66,919 on account of the cost of vehicles and stock, and Rs. 88,100 as compensation.

Dr. Jaisoorya: May I know the number of vehicles at the time of taking over?

Shri Satish Chandra: 189 buses were taken over from the G.N.I.T.

Dr. Jaisoorya: How many were scrapped within two years?

Mr. Speaker: The hon. Member is going into an old transaction more than four years' old. It has been closed altogether now.

Sardar Hukam Singh: Were the promises given and assurances made on the floor of the House to the Transport Companies kept in view when this amending Bill of the Motor Vehicles Act was drafted?

Shri Satish Chandra: Certainly, Sir, the assurances will be incorporated in the proposed amending Bill.

Shri Nambiar: May I know, Sir, whether the Central Pay Commission's recommendations have been implemented in respect of the pay and allowances to the staff?

Shri Satish Chandra: I could not say off-hand. I can however say this definitely that the emoluments of these employees have increased considerably since the Government and later the Delhi Transport Authority took over this Delhi Transport Service.

SUGAR CANE

***1841. Shri Jhulan Sinha:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether there is any law controlling the production and supply of sugar-cane as also manufacture of sugar in any State outside Bihar and the Uttar Pradesh with zoning of areas on the one hand and fixation of the minimum cane price on the other; and

(b) whether there is any proposal to regulate the supply and production of sugarcane on all India scale?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) Yes. Such law is in force in other States also.

(b) There is no proposal to regulate the supply and production of sugarcane on an all India basis as the development and marketing of sugarcane is the responsibility of State Governments. The sugar industry, however, has been included in the schedule of industries to be controlled centrally under the Industries (Development and Regulation) Act 1951 and will now be governed by a uniform Code of law.

Shri Karmarkar: "The other States" referred to in part (a) of the reply are Punjab and Madras.

Shri Jhulan Sinha: May I know if the Government have received any report about the working of these laws in Bihar and U.P.?

Shri Karmarkar: I should like to have notice.

Shri Jhulan Sinha: May I know in what other States such laws are in force?

Shri Karmarkar: I said Punjab and Madras. This is in addition to U.P. and Bihar.

Shri Jhulan Sinha: May I know if in view of the successful working of these laws in U.P. and Bihar, Government consider it necessary to legislate on an all India basis?

Shri Karmarkar: As I said the sugar industry has been included in the schedule of industries to be controlled centrally under the Industries (Development and Regulation) Act, 1951 and it will now be governed by a uniform code of law.

Shri T. N. Singh: Will it be possible for Government to state what is the minimum price fixed in Punjab and Madras for sugar-cane and how does it compare with the prices in Bihar and U.P.?

Shri Karmarkar: I cannot say offhand.

CALCUTTA PORT

*1842. **Shri H. N. Mukerjee:** Will the Minister of **Transport** be pleased to state:

(a) whether it is a fact that there is perturbation among seamen in Calcutta port that the application of the rule regarding pre-entry medical examination may lead to retrenchment;

(b) whether it is a fact that the pre-entry medical examination system has been introduced in pursuance of the Seattle Convention; and

(c) whether the recommendations of the convention regarding amenities for seamen have been accepted.

The Parliamentary Secretary to the Prime Minister (Shri Satish Chandra): (a) Government are not aware of any perturbation among seamen now, though in the early stages some anxiety was expressed about the objects of introducing the scheme. The percentage of persons disqualified on medical grounds permanently was less than 3 during the period 1st April 1950 to 31st December 1951. During this period 40,640 seamen were examined and only 1,080 seamen were permanently disqualified.

(b) Yes.

(c) As regards the other Conventions relating to seamen concluded at Seattle, the subjects are primarily matters for settlement between seamen and the employers. Government are always prepared to consider sympathetically and support the reasonable demands of seamen.

Shri H. N. Mukerjee: In view of the fact that four-fifths of the total tonnage handled at our ports are controlled by foreign shipping interests, has Government under contemplation any special steps to compel these foreign companies to provide amenities for the seamen, especially as for the last 8 years or so, they had no increment, they got no overtime and no amenities which are associated with civilized standards of work?

Shri Satish Chandra: On account of the very fact that the Shipping Companies are foreign owned, it is difficult to enforce the standards which the hon. Member has in mind. However, I may say that the wages of the seamen have increased by 500 per cent. during the war years. 300 per cent. is the increase in the basic wage and 200 per cent. on account of War Risk Bonus which is still being paid to the seamen.

Shri H. N. Mukerjee: Is Government aware of a communication sent by Calcutta seamen through the Shipping Master of Calcutta Port, which said that for the last 8 years, they have had no increment whatever?

Shri Satish Chandra: I am not aware of that particular representation. The difficulty is that there are many seamen's Unions in Calcutta and some of them take a different attitude than the others. This 500 per cent. increase in the wages is a matter of fact.

Shri H. N. Mukerjee: Is Government aware that there is a sum of about Rs. 22 lakhs lying at the disposal of the Seamen's Welfare Committee and this is a contribution of the British Shipping Companies employing Indian crews under the Seamen's Health Insurance Scheme? Would Government see that this money is realized and with its own Health Insurance scheme, utilize this sum for the purpose of providing special amenities to the seamen?

Mr. Speaker: Is it so?

Shri Satish Chandra: I require notice.

Shri Nambiar: May I know what is the minimum emolument drawn by a seaman, in view of the fact that the hon. Member has said that it has increased by 500 per cent?

Shri Satish Chandra: I cannot give the minimum wage figure off-hand. That is a matter of agreement between individual seamen and the shipping Companies.

Shri H. N. Mukerjee: Is the Government aware that a few months ago, there was a strike which lasted for 45 days in the Calcutta Port as a protest against the excesses committed by the Medical Board in rejecting a very extraordinary number of candidates?

Shri Satish Chandra: There has been some agitation against the very beneficient scheme introduced by the Government in the interests of the seamen themselves. There was a strike in which the members of certain unions participated. (It only shows that the leadership of those unions is divided on this issue).

Mr. Speaker: Order, order. Next question.

SUGAR MILLS IN U. P.

***1843. Shri Ganpati Ram:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) the total number of workers employed in the Sugar Mills in U.P. and their average wage income per day; and

(b) the net profit of Shahganj Sugar mill in Jaunpur in 1950-51 and 1951-52?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) Information is being collected.

(b) 1950-51 loss of Rs. 2,67,890/- 1951-52 expected loss of Rs. 3 lakhs.

श्री गणपति राम : क्या माननीय मंत्री महोदय बतला सकते हैं कि पिछले तीन वर्षों में शुगर मिल्स के वरकर्स की जो ऐवरेज मजदूरी थी उस में और वर्तमान मजदूरी में कोई कमी या वृद्धि हुई है। और यदि हुई है तो कहां तक ।

Shri Karmarkar: I should like to find out. The information is being collected.

श्री गणपति राम : क्या माननीय मंत्री महोदय बतला सकते हैं कि शाहगंज शुगर मिल, जौनपुर, की ऐवरेज मजदूरी की जांच के लिए कोई कमेटी नियुक्त की गई थी। यदि हां तो उस की क्या रिपोर्ट है। यदि नहीं तो क्या सरकार इस के लिए कोई इन्क्वायरी कमेटी नियुक्त कर सकती है ?

श्री करमरकर : यह स्टेट गवर्नमेन्ट का काम है। फिर हम भी तलाश करेंगे।

Dr. P. S. Deshmukh: At the rate at which this mill is suffering loss, how many years would it take for the mill to be closed and sold out?

Shri Karmarkar: That depends on the ability of the Member.

श्री गणपति राम : क्या माननीय मंत्री महोदय बतला सकते हैं कि शुगर मिल में जो प्राफिट होता है उसका कुछ शेयर ऐम्प्लाईज़ को भी दिया जाता है ?

Shri Karmarkar: I should like to find out.

UTILISATION OF BAGASSE

***1844. Shri S. V. Ramaswamy:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether any attempt has been made to utilise the bagasse from the sugar cane mills and crushers for making paper boards; and

(b) whether there is any process by which bagasse may give rise to a cottage industry of paper-making?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) Yes. Some mills are actually utilising bagasse for manufacturing paper boards.

(b) Government are not aware of any process by which paper can be made from bagasse on a cottage industry scale.

In regard to part (a), I should like to add that Messrs. Rohtas Ltd., are using bagasse for making paper boards.

Shri S. V. Ramaswamy: Are Government aware that there are very cheap and simple machines in Japan for making paper and paper boards out of bagasse, and......

Mr. Speaker: I am afraid it is no use making these suggestions here. The hon. Member may send these suggestions to the Minister.

Shri S. C. Samanta: May I know whether Government have any information about the fact that from bagasse newsprint is being manufactured in other countries, and if so, whether Government have sent any deputation to any such countries?

Shri Karmarkar: We have not sent any deputation. In regard to our researches about the manufacture of newsprint from bagasse, I should like to have notice.

Mr. Speaker: Next question.

Shri N. P. Sinha: 1845.

Shri T. N. Singh: May I make a request, Sir. Question No. 1840 could not be answered earlier because of the absence of the questioner. If the answer for Question No. 1840 could be given along with the answer for 1845, many of the points would be covered and many supplementary questions may be avoided. Question 1840 also relates to the same matter though there is a slight variation.

Shri Karmarkar: I have no objection.

Mr. Speaker: But, how can Question 1840 be allowed in the absence of the questioner?

Shri T. N. Singh: I am only making a request.

Mr. Speaker: All relevant supplementaries would be allowed if the subject matter is common.

FOODGRAINS (STORAGE)

***1845. Shri N. P. Sinha:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) what steps have, in the past, been taken to prevent foodgrains from rotting while in storage in different godowns; and

(b) whether inspections of foodgrains in godowns are made from time to time?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) So far as Central Storage is concerned damp-proof and well ventilated godowns were selected for storage of foodgrains and disinfestation measures and fumigation were adopted to prevent foodgrains from deterioration.

(b) Yes, once a fortnight.

Shri N. P. Sinha: May I know whether the Government have any reports regarding the annual depreciation of foodgrains due to eating away by insects and rats?

Shri Karmarkar: Our information was that during 1951-52, out of the total the storage loss was 33·63 tons, valued at Rs. 21,151 due to all reasons.

Shri N. P. Sinha: May I ask if foodgrains are released sometimes, only when they are completely deteriorated in godowns for public consumption?

Shri Karmarkar: No, Sir.

Shri B. K. Das: The hon. Minister replied about the Central Storage. May I ask what precautions have been taken about the storage under the State Governments?

Shri Karmarkar: I have no information about the storage in provincial Governments. Both the questions related only to the Central Government.

PUBLICITY PROGRAMME

***1846. Dr. Ram Subhag Singh:** Will the Minister of **Transport** be pleased to state:

(a) whether Government have prepared any publicity programme for the development of tourist traffic in India;

(b) if so, what are the chief features of that programme; and

(c) the cost involved in it?

The Parliamentary Secretary to the Prime Minister (Shri Satish Chandra): (a) Yes.

(b) The chief features of the tourist publicity programme are production of posters, folders, colour films, maps, picture postcards, guide books and brochures and where possible insertion of advertisements and articles in well-known foreign travel journals.

(c) Rs. 6,50,000.

Dr. Ram Subhag Singh: May I know whether the progress in the development of tourist traffic in India has been steady and satisfactory and whether Government expect to have a larger number of foreign visitors during the coming season as a result of the introduction of this publicity programme?

Shri Satish Chandra: I require notice for that. I can only give information regarding publicity.

Shri Nambiar: May I know, in view of the fact that this tourist traffic is increasing, whether it will in any way affect the traffic of people in India because there is already shortage of coaches, trains,......

Mr. Speaker: Order, order.

Prof. D. C. Sharma: May I know whether any efforts have been made to encourage tourist traffic to the Kangra Valley?

Shri Satish Chandra: Yes, Sir. Some of the posters and guide books relate to Kangra Valley. They are being displayed in foreign countries to attract visitors to the Kangra Valley.

Shri M. S. Gurupadaswamy: May I know whether any income has been derived out of this tourist traffic, and what the amount is?

Shri Satish Chandra: I said I can only answer questions relating to publicity.

Shri Sarangadhar Das: May I know if the posters in the Railway stations are renewed every year or whether they remain there for years together?

Shri Satish Chandra: New posters are designed and printed every year. Most of the posters that I am referring to are distributed to our missions abroad and to travel agencies in foreign countries. This is for the attraction of tourist traffic from foreign lands to India.

Shri H. N. Mukerjee: Does Government intend to take special steps for the protection of our ancient monuments where a certain section of these foreign tourists indulge in souvenir hunting in a vandalistic fashion?

Shri Satish Chandra: The question should be addressed to the hon. Minister for Education.

Mr. Speaker: Next question.

JALLIANWALA BAGH NATIONAL MEMORIAL

***1847. Shri S. N. Das:** Will the Minister of **Home Affairs** be pleased to state:

(a) whether the Trustees of the Jallianwala Bagh National Memorial have been fully constituted and are functioning;

(b) if so, the names of persons nominated by the Central Government;

(c) whether the Trustees have appointed any committee of management; and

(d) if so, how the committee has been constituted and what are the powers, duties and functions of the committee?

The Minister of Home Affairs and States (Dr. Katju): (a) Yes.

(b) Rajkumari Amrit Kaur, Dr. Bakshi Tek Chand and Giani Gurmukh Singh Musafir.

(c) Yes.

(d) I place on the Table of the House a copy of the Resolution passed by the Trustees. [*See* Appendix IX, annexure No. 1.]

Shri S. N. Das: May I know whether the Chairman of this Committee of Management has been nominated and whether the Committee has begun functioning?

Dr. Katju: The Chairman will be nominated by the Chairman of the Trust.

Shri S. N. Das: Has he been nominated and is the Committee functioning?

Dr. Katju: Yes, the Committee is functioning.

ANDAMANS AND NICOBAR ISLANDS

***1848. Shri A. C. Guha:** Will the Minister of **Home Affairs** be pleased to state:

(a) the scheme for the development of the Andamans and the Nicobar; and

(b) the number of East Bengal displaced persons settled in the Andamans?

The Minister of Home Affairs and States (Dr. Katju): (a) The scheme which is under Government's consideration consists of clearing, during a period of five years, some 20,000 acres of forest land in the Andamans and the settlement thereon of agriculturist families. The scheme includes the building of roads, schools, dispensaries etc.

(b) 362 families, comprising 1481 displaced persons from East Bengal, have settled in the Andamans.

Shri A. C. Guha: Is there any scheme to send more East Bengal families there?

Dr. Katju: If they would like to go, I should be very happy.

Shri A. C. Guha: Has there been any attempt on the part of Government in this direction?

Dr Katju: When I was in Calcutta, I noticed there was great progress after great persuasion, but unfortunately, people who had gone returned back. They are very unwilling to go. You better ask them.

Shri A. C. Guha: I think very few have come back, but has there been any attempt in recent times? Is there any programme to send them this year?

Dr. Katju: May I say, Sir, with all respect that the hon. Member knows much better than I do. I am always supposing that there is a continuous attempt at persuasion going on.

Shri A. M. Thomas: May I know, Sir, whether Government has any idea with regard to the number of families which can be accommodated?

Dr. Katju: Our idea was there should be 20,000 people altogether, but the more the merrier.

Shri Achuthan: May I know the facilities given to such families?

Mr. Speaker: I think all these questions have been dealt with. There was a consistent string of questions during the day before last I believe. Any number of questions have been put.

Shri A. C. Guha: Is there any programme also to settle non-agriculturist families?

The Minister of Rehabilitation (Shri A. P. Jain): A few non-agriculturist families have been sent, and I may inform the hon. Member that during the course of the remaining period, there is a proposal to send between 100 and 150 more families.

Shri B. K. Das: The hon. Minister replied that agriculturist families would be settled there. Is it with reference to the scheme of settling refugees or other persons also?

Dr. Katju: I can say more preference would be given to refugees. If refugees are not forthcoming, anybody else will go.

ADIVASIS (LITERACY)

*1849. **Shri Sanganna:** Will the Minister of **Home Affairs** be pleased to state the percentage of literacy among the Adivasis of India?

The Minister of Home Affairs and States (Dr. Katju): Attention is invited to the reply given by me to Shri R. B. Parmar's Starred Question No. 1484 on the 4th of July, 1952, which was to the effect that no information is available at present.

Shri Sanganna: May I know whether the Central Government has received information from the State Governments as to how the grants placed at their disposal are utilised for the economic uplift of the Adivasis?

Dr. Katju: May I respectfully enquire whether this question arises out of the parent question? The question is: "What is the percentage of literacy?", and my hon. friend now enquires as to how the grants are being utilised for the benefit of the Adivasis. I can say a lot, but it will only take the time of the House.

Mr. Speaker: The point seems to be that the hon. Member is referring to a certain previous answer given in connection with literacy. For purposes of literacy, the Government of India, it seems, is making at least some grant. Therefore, the question arises if the Government have any machinery for seeing as to how the grant is being utilised. That is his question.

Dr. Katju: There is a Regional Commissioner here, and there is a Regional Commissioner there, and it is a State responsibility. They are doing the best that they can.

Shri B. K. Patel: Do Government propose to collect this information?

Mr. Speaker: Obviously, I think, they must collect all information that is necessary.

AGRICULTURAL LABOURERS

*1851. **Shri V. Missir:** Will the Minister of **Food and Agriculture** be pleased to state whether there is any land reclamation and improvement scheme under consideration of Government with a view to stepping up agricultural production and if so, what is the nature of that scheme?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): The Central Tractor Organisation of the Government of India are already engaged on a scheme of land reclamation with the help of 240 heavy tractors. The scheme envisages reclamation of 1½ million acres of weed-infested lands in U.P., Madhya Pradesh, Madhya Bharat and Bhopal over a period of seven years beginning with the 1949-50 reclamation season. Except for a small area in U.P. where a pilot project of jungle clearance has been undertaken, the land to be reclaimed is infested by the Kans weed. The annual additional production of foodgrains from the reclaimed lands is estimated to be between 1/3 and 1/4 ton per acre. No other scheme for land reclamation is under consideration at present.

As for land improvement, there is no specific scheme under consideration at present. However, some land improvement measures such as drainage and contour bunding works are included in various Grow More Food Schemes sanctioned from time to time.

Shri M. S. Gurupadaswamy: May I know what is the total cost involved in this land reclamation?

Shri Karmarkar: The total expenditure incurred so far on the Central Tractor Organisation is Rs. 6,23,82,495.

Shri Nambiar: May I know whether the land reclaimed is being distributed among the landless agricultural workers?

Shri Karmarkar: I should think so.

Shri T. N. Singh: The hon. Member stated that there is an increase of 1/3 to 1/4 ton per acre on these reclaimed lands. May I know if this figure is according to what has been supplied by the Indian Council of Agricultural Research after their survey, or is it the previous figure which he has given?

Shri Karmarkar: I think, Sir, this is a recent figure, but the basis of it I should like to find out.

Shri Bansal: Are Government aware that in certain places Kans weed is coming up again after an year or so of its being removed.

Shri Karmarkar: No, Sir.

Shri T. N. Singh: Is it a fact that in the Kans infested area that has been reclaimed, there is one which was only semi-Kans-infested, and in that the increased production is much lower?

Shri Karmarkar: I did not exactly catch what is the particular kind of land that the hon. Member was referring to, but I should like to have notice to find out.

Shri Bansal: Will Government make enquiries as to whether Kans is coming up again in some of the reclaimed land?

Shri Karmarkar: We shall certainly make enquiries.

Pandit Munishwar Datt Upadhyay: What is the total acreage of land reclaimed so far and what is the yield per acre?

Shri Karmarkar: The Central Tractor Organisation reclaimed 6,16,807 acres in the three seasons to begin with in 1949-50. Taking into account the area reclaimed earlier during 1947-48 and 1948-49, the total acreage is 7,20,835 acres.

INDIAN CO-OPERATIVE CONGRESS

***1852. Shri Jhulan Sinha:** Will the Minister of **Food and Agriculture** be pleased to state the decisions of the Indian Co-operative Congress at its first meeting held in February 1952 and the steps, if any, taken or proposed to be taken in the direction of implementation of these decisions?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): A note giving the relevant resolutions passed at the first Indian Co-operative Congress is placed on the Table of the House. [*See* Appendix IX, annexure No. 2.]

The recommendations are, at present, being considered by the Planning Commission and their final report is awaited.

Shri Jhulan Sinha: May I know how long these resolutions have been pending before the Government for consideration?

Shri Karmarkar: I cannot give the exact period, but it should not be long.

Shri Jhulan Sinha: Will the hon. the Minister be able to give us any idea as to the time that will be taken up before coming to final decisions?

Shri Karmarkar: The resolutions that concern the Government of India mainly are resolution No. 4 relating to co-operative farming, and Resolution No. 5 relating to the establishment of a Central Co-operative Council.

As regards the former resolution, the Central Government had even before this resolution was passed by the Congress, advised the State Governments to give preference to co-operative farming societies.

As regards the other, namely the establishment of a Central Council, it may be mentioned that the Indian Co-operative Congress, which has both officials and non-officials as its members, has already provided a forum for discussion of problems connected with this matter.

Shri Jhulan Sinha: Will the hon. Minister be pleased to refer to Resolutions Nos. 2, 7 and 9 also, and say whether they also concern the Government of India or not?

Shri Karmarkar: So far as my information goes, there are no resolutions Nos. 7 and 9. in the list of resolutions with me at the moment. But resolution No. 2 which relates to the adoption of co-operative farming as a declared State policy for the development of the same and also the question of considering as to how far and to what extent the co-operative movement can help in implementing the same, is under our active consideration and also that of the Planning Commission.

CENTRAL COUNCIL OF GOSAMVARDHAN

* **1853. Shri Jhulan Sinha:** Will the Minister of **Food and Agriculture** be pleased to state the constitution of the Central Council of Gosamvardhan and also its personnel?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): A Statement giving the required information is laid on the Table of the House. [*See* Appendix IX, annexure No. 3].

Shri Jhulan Sinha: May I invite the attention of the hon. the Minister to Clause (e) of the draft memorandum of the Association of the Central Council of Gosamvardhana, and may I know what steps have been taken by the Government to implement the same?

Shri Karmarkar: I find that the question of prevention of cattle slaughter does not fall within the law-making powers of the Central Government. So a model Bill was drafted and circulated to the State Governments, and most of the State Governments have, it is understood, passed suitable legislation already in the matter.

Shri Jhulan Sinha: Which are the State Governments that have passed those legislations?

Shri Karmarkar: I said most of them, but I should like to find out which have not. But it may be mentioned that the complete ban on the slaughter of cows exists now in the States of Madhya Pradesh, Mysore, Rajasthan, PEPSU, Saurashtra, Cutch Manipur and Tripura.

Shri Jhulan Sinha: May I know whether the ban has been imposed by executive order or by legislation?

Shri Karmarkar: I am sure, by legislation.

Shri S. C. Samanta: May I know whether the Government intends to re-introduce the Gosamvardhan Bill which contemplates the constitution of a Central Council of Gosamvardhan?

Shri Karmarkar: I shall take counsel, before I answer this question.

Shri B. S. Murthy: May I know what part this Council of Gosamvardhan has played in the Rayalaseema during the famine days?

Shri Karmarkar: This Council is not only for famine purposes, but it is there for general purposes.

Mr. Speaker: Is there any Council of Gosamvardhan?

Shri Karmarkar: There is no separate council for Rayalaseema.

Mr. Speaker: What part has it played in the Rayalaseema during the famine days?

Shri Karmarkar: I should like to have notice.

Pandit Thakur Das Bhargava: May I know whether this Council has not practically come into existence and has therefore not started its work, and whether it has been perhaps registered only?

Shri Karmarkar: Very likely, Sir.

Pandit Thakur Das Bhargava: Within the last three years, may I know whether the work of Gosamvardhan has been done at all by this Government?

ARECANUT PRODUCTS

***1854. Shri Achuthan:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) what quantity of arecanut products was imported into India in 1950 and 1951 and from which country;

(b) whether there is any import duty on it and if so, what is the rate;

(c) whether Government have taken any step in 1952 to check the abnormal fall in the price of arecanut products produced in India and if not, whether Government propose to take any steps; and

(d) whether Government are aware that arecanut industry in India is in the hands of small-scale cultivators?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) to (d). The information is being collected and will be laid on the Table of the House in due course.

"OWN YOUR TELEPHONE" SCHEME

***1855. Shri B. S. Murthy:** Will the Minister of **Communications** be pleased to state:

(a) whether "own your telephone" scheme has come into full force;

(b) the applications received and telephones supplied under this scheme during 1950-51 and 1951-52; and

(c) the exemptions, if any, made under this scheme and the reasons thereof?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) Yes. This has been extended to 16 places so far.

	1950-51	*1951-52*
(b) Applications received	9,734	12,448
No. of Telephones given	7,905	11,180

(c) At places to which the Own Your Telephone Scheme is extended, 30 per cent. of the available capacity in the telephone exchange is reserved for applicants under the exempted category, namely, doctors, nurses, registered mid-wives, hospitals, public institutions, refugees, public men, newspapers and reporters, and temporary Government Departments etc. These, except refugees, have been included under the exempted category mainly for the reason that they are serving the public. Refugees have been shown special consideration to enable them to rehabilitate themselves.

Shri B. S. Murthy: Is it a fact that this system has now been suspended temporarily?

Shri Raj Bahadur: It has not been suspended. We extend it from time to time to such places as our resources will allow us to do so.

Shri B. S. Murthy Is it a fact that in Madras, people who have paid Rs. 2000 deposits under this scheme, have not yet been sanctioned any connections, and the departmental authorities are saying that the scheme has temporarily been suspended?

Shri Raj Bahadur: Some of them have not been given, Sir, but as many as 970 persons have been given telephone connections in Madras under the O.Y.T.

Shri B. S. Murthy: May I know whether celebrated artists also are included in the exempted category?

Shri Raj Bahadur: So far as I know, no, Sir.

Sardar Hukam Singh: May I know whether any exchange under the 'Own Your Exchange' scheme has been opened, and if so, what is the deposit received on that account?

Shri Raj Bahadur: There is one at Dhubri.

Shri B. K. Das: How many applications are pending before Government, and is there any case of rejection of any application?

Shri Raj Bahadur: There is no question of rejection of any application under the OYT scheme. The deposits have been made. But I cannot give the number of pending applications.

C. T. O.

*1856. **Shri L. J. Singh:** Will the Minister of **Food and Agriculture** be pleased to state to what extent the Central Tractor Organisation has helped small States like Manipur?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): The Central Tractor Organisation carries out land reclamation operations on such lands as are offered by the State Governments for the purpose. The Organisation has not so far received requests from the Governments of any of the small States for reclamation operations in their areas. The Central Tractor Organisation does not make any distinction between small and large States while deciding on areas where operations are to be undertaken. The main consideration governing selection of sites of operations is the availability of large contiguous blocks of land on which reclamation operations with heavy tractors can be carried out economically; and the C.T.O. is prepared to consider taking up work in all States where such lands are available.

Shri L. J. Singh: May I know how much benefit has been derived out of this organisation by the agricultural public?

Shri Karmarkar: I answered a similar question a few minutes ago, regarding the additional acreage brought under cultivation by this Organisation. It is roughly about 720,000 acres.

Shri L. J. Singh: Under whose charge is the Organisation being run in the States?

Shri Karmarkar: Sir, the organisation is under our charge. It is run at the request of the State where suitable land is available. The charge per acre is Rs. 54 borne by the State Government and transferred to the cultivators later on.

Shri Velayudhan: May I know, Sir, whether the Tractor Organisation was a costly adventure when compared with the results derived from it?

Mr. Speaker: I believe he is asking for an opinion.

Jonab Amjad Ali: May I know, Sir, whether lesser number of tractors than actually required by the Government of Assam has been supplied?

Shri Karmarkar: Is it under the Central Tractor Organisation that my friend wants a reply or on the general subject of tractors to be imported for the Government of Assam?

Mr. Speaker: Central Tractor Organisation.

Shri Karmarkar: So far as I can see, they have not asked for it.

Shri B. S. Murthy: May I know, Sir, how many tractors have been supplied to the Government of Madras under this organisation?

Shri Karmarkar: Enquiries have recently been made by the Government of Madras about the possibility of the Central Tractor Organisation undertaking reclamation operations in certain areas of the State. The matter is under consideration.

Shri K. K. Basu: Has the Government any machinery to check up how this land is utilised after it is reclaimed by the Central Tractor Organisation? Are these lands given to the agriculturists or run as big farms?

Shri Karmarkar: We have a machinery for information, obviously. But as to whether in all cases it is given to big farms or to agriculturists, I should like to be precise, and therefore would like to find out.

Shri Bogawat: May I know, Sir, whether any tractors are supplied to Bombay State?

Shri Karmarkar: Yes. We have given them to U.P., Madhya Pradesh, Madhya Bharat and for the clearance of jungle lands in U.P. Terai. There has to be a large amount of contiguous land suitable for this tractor organisation and my friend is obviously referring to tractors which were supplied to the Bombay Government under the grow more food scheme.

Scheduled Tribes in Madhya Pradesh and Vindhya Pradesh

*1857. **Shri K. G. Deshmukh:** Will the Minister of **Home Affairs** be pleased to state whether it is a fact that the Government of India have decided to appoint a "Regional Commissioner" for the welfare of the Scheduled Tribes in Madhya Pradesh and Vindhya Pradesh?

The Minister of Home Affairs and States (Dr. Katju): The question is under consideration.

Shri K. G. Deshmukh: May I know, Sir, whether this appointment is to be made at the request of the Madhya Pradesh Government or on the Government of India's own accord?

Dr. Katju: My hon. friend is asking whether it is on the request of the Madhya Pradesh Government. I do not know how it originated, but the matter is under consideration. We are planning to appoint one as early as possible.

Shri K. G. Deshmukh: What is the population of the Scheduled Tribes in this region?

Mr. Speaker: How does it arise out of this?

Shri Sanganna: May I know, Sir, whether predominance of the aboriginal population is the consideration?

Dr. Katju: I do not know really.

Shri B. S. Murthy: May I know, Sir, whether this question is being considered only with reference to Madhya Pradesh and Vindhya Pradesh or on an all-India basis?

Dr. Katju: It is being considered with respect to Bihar, Orissa, Madhya Pradesh, Vindhya Pradesh, Madhya Bharat, Ajmer, Bhopal, Rajasthan and Bombay. Assam is already included.

Shri B. S. Murthy: What other States are being omitted?

Dr. Katju: In the long list I gave, I think every State has been included which contains in respectable numbers any of these classes of population.

श्री पी० एन० राजभोज : में मंत्री महोदय से पूछना चाहता हूं कि शेड्यूल्ड ट्राइब्स के लिए जो कमिश्नर ऐप्वाइंट किये जा रहे हैं वह किस जाति के होंगे, उसी जाति के या दूसरी जाति के ?

डाक्टर काटजू : सवाल यह था कि रीजनल कमिश्नर मुकर्रर होगा या नहीं होगा, आप पूछते हैं कि कौन सी जाति का होगा । एक का दूसरे से क्या सम्बन्ध है ।

WRITTEN ANSWERS TO QUESTIONS

IMPORT OF RICE FROM CHINA

***1837. Shri Viswanatha Reddy:** Will the Minister of **Food and Agriculture** be pleased to state whether rice imported from China is twice as costly as the locally procured rice and if so, what are the reasons for the same?

The Minister of Food and Agriculture (Shri Kidwai): As the quality of rice imported from China is different from that produced in this country no proper comparison can be made of the prices.

अनुसूचित जातियों और जन-जातियों के प्रादेशिक आयुक्त

***१८३९. श्री जांगड़े :** (क) क्या गृह मंत्री बे क्षत्र बतलाने की कृपा करेगें, जिनमें अनुसूचित जातियों और जन-जातियों के आयुक्त के अधीन अनुसूचित जातियों और जन-जातियों के प्रादेशिक आयुक्त नियुक्त किये गये हैं ?

(ख) क्या अपनी नियुक्ति के पश्चात् आयुक्त ने अनुसूचित जातियों और जन-जातियों के बारें में अपना प्रतिवेदन राष्ट्रपति के पास भेजा है ?

The Minister of Home Affairs and States (Dr. Katju): (a) Assam, West Bengal, Manipur and Tripura are under the charge of one Regional Assistant Commissioner.

(b) Yes. Attention is invited to the reply given to Shri Murthy's Starred Question No. 543 on the 5th June, 1952.

खाद्यान्न (हानि)

***१८४०. सेठ गोविन्द दास :** क्या **खाद्य तथा कृषि मंत्री** यह बतलाने की कृपा करेंगे कि १९५१-५२ में विदेशों से आने वाले और किसानों से इकट्ठे किये जाने वाले खाद्यान्नों को सयय पर न उठाने और उसे उचित रूप से जमा करके न रखने के कारण केन्द्रीय सरकार को लगभग कितनी हानि हुई ?

The Minister of Food and Agriculture (Shri Kidwai): Nil.

DELIVERIES OF LOCOS

***1850. Shri M. L. Dwivedi:** Will the Minister of **Railways** be pleased to state:

(a) whether the procedure for recoupment of shortages in cases of deliveries of locos, and plants imported from foreign countries has been settled in consultation with the Ministries concerned; and

(b) if so, the action taken thereunder?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) and (b). There has been no need in recent years for special consultations with other Ministries on procedure in regard to the recoupment of shortages in respect of orders placed for rolling stock. The consignee is responsible for reporting shortages to the purchasing authority who in turn would take up with the suppliers.

NEW RAILWAY LINES

443. Shri Elayaperumal: Will the Minister of **Railways** be pleased to state:

(a) whether Government are considering any proposals to open new lines in Madras State;

(b) whether Government received any representation from the people of Kallakkurichi, Thiruvannamalai and Chinnasalem to open a new railway line; and

(c) what action has been taken on the representation?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Yes.

(b) and (c). A representation was received from the people of Kallakurichi Taluk in connection with the construction of a railway line from Chinnasalem to Tirukoilur *via* Tiruchi. This particular line has not been considered but an alternative project from Chinnasalem to Chingleput *via* Tiruvannamalai and Tirukoilur was considered by the Central Board of Transport and they decided that the project should be held over for the present in view of the difficult 'ways and means' position of the Government.

UNREFINED SUGAR

444. Shri Ganpati Ram: Will the Minister of **Food and Agriculture** be pleased to state:

(a) the total number of small machines for sugar crushing to prepare *deshi chini* (refined sugar) in India in 1952;

(b) the total amount of *deshi sugar* produced by such machines;

(c) whether the Government of India propose to give any protection to this industry; and

(d) whether there is any difference in the prices of mill sugar and *deshi* sugar?

The Minister of Food and Agriculture (Shri Kidwai): (a) and (b). The required information is not available and is being collected.

(c) No, Sir.

(d) Yes The price of average quality deshi sugar is generally Rs. 2 per md. lower than the price of mill sugar.

DOLLAR CROPS

445. Shri Ganpati Ram: Will the Minister of **Food and Agriculture** be pleased to state the total quantity of pepper and lemongrass exported from January, 1952 to April, 1952 and the total amount of dollar earned in exchange?

The Minister of Food and Agriculture (Shri Kidwai): About 3·4 thousand tons of pepper, the dollars earned in exchange being worth Rs. 457 lakhs. Similar figures for lemongrass are not available.

INTRODUCTION AND EXTENSION OF TRAINS

446. Shri S. C. Samanta: Will the Minister of **Railways** be pleased to state:

(a) how many new passenger trains were introduced and how many trains were extended on Indian Railways between 1st January 1951 and 31st March, 1952;

(b) how many of them were Janata Expresses;

(c) how many of the compartments of the new passenger trains were built in India and how many were imported; and

(d) how many new passenger trains are proposed to be introduced in 1952-53?

The Minister of Railways and Transport (Shri L. B. Shastri): (a) Two hundred and two new passenger trains were introduced and the runs of ninety-one were extended.

(b) Six.

(c) Apparently the word 'Compartments' is intended to mean 'Coaches'. This information is not readily available. During the period under reference, however, 738 coaches built in India and 2 coaches and 96 Electric Multiple Units imported from abroad were placed on line.

(d) Already, twenty-six new passenger trains have been introduced and the runs of 38 have been extended during the period 1-4-1952 to 15-5-1952. With regard to the remaining period of the year an accurate forecast is not possible, but according to proposals, as they stand at present, the introduction of 30 new trains depending on the availability of the additional rolling stock required, is contemplated.

DELHI SPECIAL POLICE ESTABLISHMENT

447. Shri S. C. Samanta: Will the Minister of **Home Affairs** be pleased to state:

(a) whether any economy has been effected in the Delhi Special Police Establishment;

(b) the number of cases registered for investigation in 1950-51 and 1951-52; and

(c) the number of cases, out of these, in which there were convictions, acquitals and departmental punishments?

The Minister of Home Affairs and States (Dr. Katju): (a) Yes. Over and above the economy cut of Rs. 87,000 which was imposed by Government in the budget grant for the year 1951-52, the Establishment surrendered Rs. 99,400/- out of the grant by not filling posts which fell vacant during the year.

(b) and (c). The information is already given in the "Review of the activities of the Ministry of Home Affairs" for the years 1950-51 and 1951-52.

CENTRAL DRUGS LABORATORY

448. Shri S. C. Samanta: Will the Minister of **Health** be pleased to state:

(a) the reasons for shifting the Central Drugs Laboratory from Calcutta to Lucknow;

(b) the rent per annum paid for accommodation of the Laboratory in Calcutta and that to be paid in Lucknow; and

(c) whether the whole staff will be shifted to the new site and if so, what arrangements will be made for their accommodation?

The Minister of Health (Rajkumari Amrit Kaur): (a) The reasons are:—

(1) The Laboratory is located in three different buildings in Calcutta which makes proper coordination of work very difficult. Further the

authorities in charge of two of the buildings have repeatedly requested that they should be vacated as the space is required for their own use. Efforts made by Government to get suitable and compact accommodation for the laboratory elsewhere at Calcutta had failed when the authorities of the Central Drugs Research Institute, Lucknow offered adequate accommodation for the Laboratory.

(2) The Central Drugs Laboratory will be able to make use of the following special facilities which are available at the Central Drugs Research Institute Lucknow:

(i) Specialised apparatus and equipment which are very expensive and not in common use.

(ii) Library facilities of a high order.

(iii) One of the best animal houses in India.

(b) In Calcutta no rent is being paid now as the Laboratory is located in Government Buildings, but the authorities in charge of the buildings need the space themselves and have requested the Laboratory to vacate. In Lucknow a rent of Rs. 20,000/- per annum will have to be paid.

(c) Yes. The shifting will, however, be done in stages to avoid inconvenience to the staff and dislocation of work. The Government of Uttar Pradesh has been requested to help in securing residential accommodation at Lucknow.

DELHI DISTRICT COURTS

449. Shri Radha Raman: Will the Minister of **Home Affairs** be pleased to state:

(a) how many cases in all were filed in the District Courts of Delhi during 1950-51 and 1951-52?

(b) How many of them related to properties, private and Government, separately?

(c) What was the average period per case during which they were disposed of?

The Minister of Home Affairs and States (Dr. Katju): (a) and (b). A statement is laid on the Table of the House. [*See* Appendix IX, annexure No. 4].

(c) All cases filed in 1950-51 and 1951-52 have not yet been disposed of. It is not therefore possible to work out the average period of disposal per case.

PRODUCTION OF FOODGRAINS

450. Shri Bansal: Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether any estimate has yet been made for the production of foodgrains in the year 1951-52; and

(b) if so, how does the production in 1951-52 compare with the production in the previous two years?

The Minister of Food and Agriculture (Shri Kidwai): (a) and (b). Final estimates for all the cereals have not yet become available.

THE
PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

Dated......20.11.2014

HOUSE OF THE PEOPLE

Thursday, 17th July, 1952

The House met at a Quarter Past Eight of the Clock.

[MR. SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(*See Part I*)

9-10 A.M.

MOTIONS FOR ADJOURNMENT

FOOD POLICY *re.* WEST BENGAL

Mr. Speaker: We will now take up the question of adjournment motions, consideration of which I had postponed yesterday.

The Minister of Rehabilitation (Shri A. P. Jain): During the course of the Budget debate in the House of the People, the Union Food Minister, while referring to arrangements made during his visit to West Bengal in June, said that cheap grain shops in the districts were being opened as also shops in Calcutta where rice would be sold to consumers at the economic price.

Earlier, in a press conference held in Calcutta on June 13, 1952, the Union Food Minister had given some details of a wider scheme, which consists of (1) cordoning off Calcutta and its industrial suburbs from the rest of West Bengal, (2) assumption of responsibility by the Centre for feeding Greater Calcutta, (3) introduction of free movement of grain in West Bengal outside Greater Calcutta, (4) procurement by means of levy on holders of land in excess of 15 acres, (5) opening cheap grain shops in West Bengal outside Calcutta for maintaining prices, and (6) prohibition of export of foodgrains from West Bengal.

This scheme was to be worked partially immediately and partially next year. Calcutta and Greater Calcutta remain cordoned off and the Government of India, in addition to 30,000 tons of rice supplied between January and June 1952, agree to supply another 100,000 tons of rice to be sold at controlled rates to meet the rationing commitments of this area. Out of this, 18,000 tons have been already allotted and received in West Bengal. This allocation of 100,000 tons together with stocks already procured by the West Bengal Government will be enough to meet the rice requirements of Calcutta and Greater Calcutta at the present rationing scale.

Against the requirement of 350,000 tons of wheat for feeding Greater Calcutta, more than four lakh tons have already been supplied to West Bengal. In addition, the Union Food Minister offered to supply 100,000 tons of imported rice to be sold at a no-loss-no-profit basis for distribution at the rate of six chhataks to each ration card holder per week. 44,000 tons allotted out of this quantity have already reached West Bengal. This rice is at present being sold at the rate of Rs. 31/6 per md. through about 400 economic price shops. The Government of India are prepared to meet the balance of this commitment according to requirements.

The rest of the scheme relating to assumption of exclusive responsibility for feeding Greater Calcutta, levy, free movement in West Bengal outside Calcutta, opening of shops for maintaining prices will be enforced after the new *aus* and *aman* crop have come and levy made thereon.

As regards distressed areas of 24 Parganas and Nadia, etc., the arrangement with the West Bengal Government was that 10,000 tons of wheat and 10,000 tons of rice would be distributed at Rs. 15 per maund to needy persons. This is being done through 3,000 cheap grain shops. In addition, the West Bengal Government has allocated 15,000 maunds of rice and

[Shri A. P. Jain]

15,000 maunds of wheat for free distribution in these areas and the distribution has already started.

The Government of India are prepared to supply to West Bengal as much more wheat as that Government may require. The House is aware of the difficult rice situation both in India and outside. Nevertheless, the Government of India have already fulfilled a substantial portion of their commitment and will fulfil the remaining progressively.

It will thus be seen that the new food policy announced by the Union Food Minister is being implemented.

Mr. Speaker: Now what are the points that remain to be discussed in the light of this?

Dr. S. P. Mookerjee (Calcutta South-East): Sir, may I just draw the attention of the hon. Minister and the House to a statement made by the Union Food Minister, Mr. Kidwai, yesterday at Hyderabad? In that statement he says that at the time the decision was taken Calcutta had a stock of grains for 90 days and it was agreed that for the rest of the period this year whatever quantity was required would be supplied by the Centre, as also for the next year. That is a categorical statement which the Union Food Minister made at Hyderabad yesterday and I believe that also represents the policy of the Government as announced by the hon. Minister. I shall not use my own language, but the House should know what exactly the point of difference now is because the situation there is deteriorating. Although we as the Parliament have nothing to do with that, still this is a repercussion of some confusion which has arisen regarding the responsibility for feeding the Calcutta area. I have got here the full statement of the West Bengal Chief Minister which was published in the Calcutta papers yesterday. This is what according to Dr. Roy, the Union Food Minister had said:

> "The State Government would not procure from any cultivator who cultivated less than 15 acres of land. They would, instead, impose a levy on cultivators who possessed 15 acres or more. With the introduction of the levy system restrictions on movement of grains from one District to another would be removed and the only ban that would remain on movement would be at the borders of the State and Greater Calcutta."

That was the scheme which he had announced. And Dr. Roy says:

> "The whole scheme, as has been enunciated above, was mentioned to Dr. Banerjee and his friends."

who are carrying on the agitation now,—

> "and it substantially corresponds to the demand which they put forward except that they wanted the implementation of the scheme this year whereas as I have pointed out above—and as I pointed out to the members of the deputation when we were discussing the matter—that the scheme depends primarily and fundamentally upon the Centre taking the responsibility of supplying six lakh tons of cereals consisting of two and a half lakh tons of rice and three and a half lakh tons of wheat for Calcutta and the industrial area. This is obviously not possible this year as the Centre is not yet in a position to accept the responsibility."

Then he says that he would implement the entire food scheme as announced by Mr. Kidwai. In the telegram which he has sent to Mr. Kidwai—I need not read the whole of it but the last sentence in that telegram is significant—he says:

> "If you agree to implement this food policy immediately this year kindly send me a wire so that we might take action accordingly."

So, all that is needed here is not an elaborate statement but a repetition of the statement issued by the Union Food Minister, that the policy which has been announced will be implemented and the necessary supply of food grains as promised by the Food Minister will be made to West Bengal so that the food policy of Mr. Kidwai which has received the general support of the public of West Bengal may be implemented immediately.

Mr. Speaker: There is nothing now that requires further clarification so far as the admissibility of the motion is concerned. As I said, I am not concerned, or this House is not concerned, with the food policy of the West Bengal Government. The point of the adjournment motion was that the Government of India failed to implement its assurances. But from the statement made by the hon. Minister which is further supported by the report read by Dr. Syama Prasad Mookerjee, there does not appear to be any failure in implementation of the assurances given. If a situation has arisen there which is difficult, it is due to various factors, for which failure to implement the assurance cannot be said to be the cause responsible. This clarifies the whole issue and I am not inclined to hold that this motion is admissible, after I have heard the facts and the explanation. But, before I formally say so I shall certainly give him a chance of saying whatever he has to say against that.

Shri T. K. Chaudhuri (Berhampore): Sir, the statement of the Chief Minister of West Bengal . . .

Mr. Speaker: The hon. Member will remember that we are here not discussing the general situation or the food situation in West Bengal or even the other situation—we are concerned only with the implementation of what has been assured by the Centre.

Shri T. K. Chaudhuri: It has been openly stated by the Chief Minister of West Bengal in his statement that Mr. Kidwai's plan was to be implemented next year and it would not be implemented this year because the Government of India were not in a position to guarantee allotment of food grains, both rice and wheat, for Calcutta and the industrial area. That was a categorical statement, Sir. Then how is it that the West Bengal Government who act in this respect as the agents of the Central Government make this statement in the face of the statements that were made by the Union Food Minister? There is something wrong somewhere. A great agitation is going on, people are facing *lathi*-charges and all that. Something must be done. We want some assurance.

Mr. Speaker: That is quite a different matter altogether. The hon. Member may have negotiations, he may see the Food Minister, he may see the Prime Minister and try to get such assurances as he can. But at the moment we are concerned with the admissibility of this adjournment motion which specifically alleges failure to implement what the hon. Food Minister said in this House.

Dr. S. P. Mookerjee: Arising out of the motion will it not be desirable for the Minister to say categorically that there has been partial fulfilment of the promise made by the Union Food Minister and there will be the fulfilment of the remaining part this year? Let that answer go on record.

Mr. Speaker: I think any argument on the question of admissibility should not be taken advantage of to extort or get something more like an assurance. The hon. Member will see that the hon. Minister replying on behalf of the hon. Food Minister has already given us the steps taken. A number of shops have been opened, rice has already been sent there, free distribution of rice has been ordered and is actually in progress. He further said in assurance that as time goes on, they will surely implement whatever the Food Minister stated on the floor of this House.

Dr. S. P. Mookerjee: That is not the point, Sir. All those items are within the responsibility of the West Bengal Government. The only responsibility which the Central Government has taken according to Mr. Kidwai's statement and Dr. Roy's statement is the supply of six lakh tons of cereals consisting of two and a half lakh tons of rice and three and a half lakh tons of wheat for the Greater Calcutta area. How much of this has been supplied?

Mr. Speaker: Will he not read further?

Dr. S. P. Mookerjee: Dr. Roy further said he had not got any promise or guarantee regarding the supply of this quantity.

Mr. Speaker: In his reply to the deputationists who met him he specifically says, if I remember aright, that he explained to them that he made a representation to the Food Minister, and he himself adds that the Food Minister will not be in a position, that is the Centre will not be in a position, to concede to the further demand that is made.

Dr. S. P. Mookerjee: I beg your pardon, Sir. Perhaps I have not made myself clear.

Shri A. P. Jain: In fact, there appears to be a little confusion in the mind of the hon. Member with regard to the commitments this year and the commitments . . .

Dr. S. P. Mookerjee: I am reading it from this published report.

Shri A. P. Jain: There appears to be some confusion with regard to the commitment made this year and commitments which may ultimately come next year. The total requirement for feeding Greater Calcutta is six lakh tons consisting of two and a half lakh tons of rice and three and a half lakh tons of wheat. So far as wheat is concerned the Government of India has already supplied a larger quantity of wheat, and wheat is mostly consumed in Calcutta town and not outside Calcutta.

Dr. S. P. Mookerjee: How much of the three and a half lakh tons of wheat has already been supplied?

Shri A. P. Jain: We have already supplied more than four lakh tons.

Dr. S. P. Mookerjee: Excuse my interruption, Sir, but this additional quantity is necessary only for Greater Calcutta area. Just visualise the scheme which Mr. Kidwai had formulated . . .

Mr. Speaker: Let us hear the hon. Minister completely.

Shri A. P. Jain: I will explain everything if the hon. Member will have a little patience.

Dr. S. P. Mookerjee: The point is very simple. This additional supply—not whatever has been made available for the rest of Bengal—of six lakh tons of cereals consisting of two and a half lakh tons of rice and three and a half lakh tons of wheat was intended for Greater Calcutta area alone. We must know how much of these two quantities have been supplied to Greater Calcutta. Let us not mix up these supplies with the supplies which have been made to areas in West Bengal outside the Greater Calcutta area.

Shri A. P. Jain: It is my hon. friend who is trying to mix up things. We have already supplied more than 400,000 tons of wheat . . .

Dr. S. P. Mookerjee: Only for Greater Calcutta?

Shri A. P. Jain: For the whole of West Bengal.

Dr. S. P. Mookerjee: That is a different matter.

Shri A. P. Jain: West Bengal Government have a limited space for storage. We are prepared to supply an unlimited quantity of wheat if it is required for West Bengal—even more than the three and a half lakh tons promised.

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): Say "for Calcutta alone."

Shri A. P. Jain: Yes, for Calcutta area alone. So, the question of supply of wheat does not arise at all, because apart from these 350 thousand tons, if Calcutta needs more, we shall supply more.

So far as rice is concerned, the Union Food Minister made two commitments. The Central Government has already supplied 30 thousand tons of rice between January and June, 1952. Then the Food Minister promised that he would supply another 100 thousand tons of rice, to be sold at control rate inside Calcutta.

Pandit L. K. Maitra (Nabadwip): No, no. Through the economic shops.

Shri A. P. Jain: I am coming to the economic shops just now. Out of this quantity, 18 thousand tons have already been supplied. In addition to this, the Food Minister made another commitment that he will supply 100 thousand tons of imported rice to be sold through economic shops on a no-loss-no-profit basis. Out of this quantity, 44 thousand tons have already been supplied and the rice is being sold through 400 economic shops. These are the only commitments that the Union Food Minister made. For the current year, some procurement has already been made by West Bengal Government and that Government is going to make up the deficiency from out of the rice already procured by it, so that the total quantity of rice available for Greater Calcutta would be more than 250 thousand tons of rice.

Dr. S. P. Mookerjee: Again, Sir, a reference has been made to what has been procured. That is not the Kidwai scheme. The Kidwai scheme is that the Government of India will supply two and a half lakh tons of rice and three and a half lakh tons of wheat to Greater Calcutta. So far as wheat is concerned, the hon. Minister has stated that for Greater Calcutta the Government of India is prepared to give any quantity. That is a very clear and categorical answer.

So far as rice is concerned, the hon. Minister has stated that only 62 thousand tons out of two and a half lakh tons have been supplied up to now. Will the Government of India be in a position to supply the rice for feeding Greater Calcutta alone according to the scheme which Mr. Kidwai had agreed to. It is very simple question and requires a very simple answer.

Shri A. P. Jain: For the current year, the West Bengal Government needs only 250 thousand tons of rice for feeding Greater Calcutta. Arrangements have been made whereby some rice has been procured by the West Bengal Government and the balance of the rice will be supplied by the Government of India during the next year. A portion of it has already been supplied. The question that arises is this. When the full scheme is implemented, then any rice that is procured in West

Bengal will not be utilised for feeding Greater Calcutta but the people in the rest of West Bengal. The final scheme will come into force next year. It is different from the provisional scheme which was to be implemented this year and which has been implemented partially this year. This includes rice for feeding Calcutta supplied by the Government of India and procured in West Bengal. Next year, it will be merely the rice supplied by the Government of India.

Dr. N. B. Khare (Gwalior): The answer should not be like this. It should be mathematical that is an arithmetical figure.

Mr. Speaker: I am afraid that unnecessary confusion is being created. It appears to me clear—I do not know whether it appears equally clear to Members of the Opposition and even Members on this side—that in discharge of the promises made, the wheat is already there. So far as rice is concerned, the hon. Minister has specifically stated that it is to be supplied from imported stock. Obviously, imports cannot be available immediately on the spot. Therefore, it appears to me that an interim arrangement has been made with the Government of West Bengal. (*An Hon. Member*: No.) It is no use saying 'No'.

Dr. S. P. Mookerjee: But Dr. Roy has not accepted it.

Mr. Speaker: He may not accept it, but the position is that, in order to implement the scheme, the Centre has decided to borrow some quantity from the procurement rice of West Bengal for the purpose of feeding Greater Calcutta.

Dr. S. P. Mookerjee: If you use the procurement rice of the West Bengal State, then the whole scheme topples down.

Mr. Speaker: For Greater Calcutta's needs, a portion of the procurement rice will be diverted temporarily till the Government of India are in a position to secure imports.

Dr. S. P. Mookerjee: Then, how will rice be available to the rest of Bengal?

Mr. Speaker: In the rest of Bengal there will be free movement and the whole area would be treated as one area.

Dr. S. P. Mookerjee: If you take the procurement rice from the rest of Bengal, prices will shoot up and the scheme will break down.

Shri Jawaharlal Nehru: I am merely trying to understand and possibly make the House understand the position, because although long statements have been made there still appears to be some confusion. The Food Minister put forward a scheme which was accepted, under which he took a certain responsibility for Calcutta or Greater Calcutta. That responsibility was for wheat as well as rice. So far as wheat is concerned, he can fulfil it completely this year an offer further quantities if it is so necessary. So far as rice is concerned, it is physically impossible to meet the entire responsibility, because in the country there is not much rice. We have to get it from abroad and there the hon. Food Minister has gone as far as he can towards fulfilling the commitment. Speaking subject to correction, when this matter was discussed it was decided that this year a part of the procured rice from West Bengal would go to Calcutta. The figure was 137 thousand tons. That is the quantity of rice procured in West Bengal that will go to Calcutta area. That was the arrangement made, because there was not more rice in the country. Of course, we are trying to get more rice and as my hon. colleague said, about 92 thousand tons or whatever it is has been supplied and the rest is going to be supplied. In fact, even in regard to the quantity required for Greater Calcutta, a good part of the rice has been supplied and a good part will be supplied in the course of the year, but it cannot be the complete quantity, because it is simply not available. Therefore it was arranged that for the present some part of the West Bengal rice would be sent there and we can supply, if necessary, more wheat to West Bengal.

An Hon. Member *rose*—

Mr. Speaker: We are not concerned with carrying on a discussion.

Shri Meghnad Saha (Calcutta—North-West): We are getting confused by all these figures. I suggest that the hon. Minister and the Members who are interested in the Bengal food situation issue a joint statement, so that the position may be clarified.

Mr. Speaker: I do not think there is any scope for a joint statement, but I agree that the Members of the Opposition and those who have tabled this adjournment motion may discuss the matter further outside this House with the Food Minister, and get the position clarified.

As far as the immediate question is concerned, it is one of satisfying myself, whether the scheme has been implemented or not. After hearing the entire discussion and listening to the narration of what has already been

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done, I do not think that we can usefully pursue this adjournment motion or hear any further arguments about it. I do not give my consent to this motion. The position has been fully clarified and we need not go further than that.

Shri Nambiar (Mayuram): May I seek some clarification?

Mr. Speaker: There is no scope for any clarification now.

Shri H. N. Mukerjee (Calcutta—North-East): In spite of the Prime Minister's statement, there still appears to be a discrepancy which perhaps can be corrected by a simple method. It seems to me that the supply of rice has not been adequate so far. Of course, the Government is going to take all possible steps. If a statement to that effect is issued by the Centre, the discrepancy and the mis-giving which have been created in the mind of the public by the contradiction between Dr. Roy's statement and the statement made on the floor of this House by the hon. Mr. Jain would be removed.

Mr. Speaker: Order, order. I am concerned only with the adjournment motion. The removal of the discrepancy is a matter between the hon. Members concerned and the Government. If they think fit to do so, they may remove it in such manner as they can.

We shall now proceed with the further business of the House.

Shri Nambiar: Can we have a half-an-hour discussion on this?

Mr. Speaker: This is not an answer to a question and besides hon. Members have already discussed this adjournment motion for more than half an hour. In a sense, the object of the adjournment has been served, because they have got all the information and clarification they wanted. They have had a confirmation of the assurance and have also secured an assurance for the future that the Government of India will do whatever is possible or lies in their power.

Shri Nambiar: I am making my suggestion to complete it.

PAPERS LAID ON THE TABLE

DECLARATIONS OF EXEMPTION ISSUED UNDER THE REGISTRATION OF FOREIGNERS ACT

The Minister of Home Affairs and States (Dr. Katju): I beg to lay on the Table a copy of each of the following Declarations of Exemption issued under the Registration of Foreigners Act, 1939, namely:

(1) No. 1/8/52.F.1. dated the 31st January, 1952 (10 Declarations).

(2) No. 1/10/52.F.1, dated the 5th February, 1952.

(3) No. 1/11/52.F.1, dated the 7th February, 1952 (2 Declarations).

(4) No. 1/14/52.F.1, dated the 17th February, 1952.

(5) No. 1/15/52.F.1, dated the 19th February, 1952.

(6) No. 1/16/52.F.1, dated the 23rd February, 1952.

(7) No. 1/18/52.F.1, dated the 7th March, 1952.

(8) No. 1/19/52.F.1, dated the 18th March, 1952 (4 Declarations).

(9) No. 1/20/52.F.1, dated the 19th March, 1952.

(10) No. 1/21/52.F.1, dated the 29th March, 1952 (5 Declarations).

(11) No. 1/22/52.F.1, dated the 1st April, 1952 (2 Declarations).

(12) No. 1/24/52.F.1, dated the 9th April, 1952.

(13) No. 1/28/52.F.1, dated the 16th April, 1952 (5 Declarations).

(14) No. 1/29/52.F.1. dated the 13th May, 1952.

(15) No. 1/30/52.F.1, dated the 25th April, 1952.

(16) No. 1/31/52.F.1, dated the 5th May, 1952.

(17) No. 1/32/52.F.1, dated the 24th May, 1952 (3 Declarations).

[*Placed in Library. See* No. P-30/52.]

NOTIFICATION CONTAINING THE KUTCH MOTOR VEHICLES RULES, 1951.

The Parliamentary Secretary to the Prime Minister (Shri Satish Chandra): I beg to lay on the Table, under sub-section (3) of section 133 of the Motor Vehicles Act, 1939, a copy of the notification issued by the Chief Commissioner, Kutch, No. J-150/50, dated the 5th July 1951, containing the Kutch Motor Vehicles Rules, 1951. [*Placed in Library. See No.* P-28/52.]

FAIR RETENTION PRICES OF STEEL PRODUCED BY THE MYSORE IRON AND STEEL WORKS, BHADRAVATI.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): I beg to lay on the Table a copy of the Report of the Tariff Commission on the Fair Retention Prices of Steel produced by the Mysore Iron and Steel Works, Bhadravati and a copy of the Ministry of Commerce and Industry Resolution No. SC(A)-2(87)/52, dated the 1st July 1952. [*Placed in Library. See* No. P-29/52.]

INDIAN COMPANIES (AMENDMENT) BILL

Mr. Speaker: The House will now proceed with the further consideration of the following motion moved yesterday by Shri C. D. Deshmukh:

> "That the Bill further to amend
> be taken into consideration.'
> be taken into consideration."

Dr. Lanka Sundaram (Visakhapatnam): The Bill before the House this morning if implemented, will have very far-reaching consequences in respect of more than one sector of our national life. For years past, even when the British were ruling this country, there was a regular hue and cry against what were described as "India Limiteds"—the flotation of companies in this country, under the protective wing of the laws of the land, which for all practical purposes competed remorselessly with indigenous industry. I am not given to making extravagant statements but it occurs to me that the bill before us today is only an implementation of the policy statement made by the Prime Minister on the question of foreign capital more than two years ago. I personally feel that the very fact that this Bill has been brought before this House is only a confession of failure on the part of the Government of India to raise rupee capital from our own midst.

Shri B. Das: (Jajpur-Keonjhar) No, no.

Dr. Lanka Sundaram: I would like to hear the Finance Minister on this.

In fact as one whose occupation is to apply his mind to economic and financial trends in this country, it occurs to me that once this Bill goes on the Statute Book a very serious and even critical situation might arise, namely, the throwing open of the flood-gates to foreign capital investment in this country.

As I have said this Bill has been motivated by the recent agreements signed by the Government of India on the one part and three oil companies on the other, even though I know that a similar situation to this might arise and there would be an extension of the provisions of the proposed legislation to other industries or other undertakings which might be established in our midst with the assistance of foreign capital.

I believe this House is at a disadvantage for the reason that the full text of agreement signed between the Government of India on the one part and the Standard Vacuum, the Burmah Shell and the Caltex on the other are not available to us. I have seen some summaries of these agreements, and I would like to limit my observations to one particular agreement, that is, between the Standard Vacuum on the one part and the Government of India on the other.

To my mind there are two very important provisions of this agreement. If I am misquoting and if my data are wrong, the hon. the Finance Minister will correct me. It is this. For a period of 25 years these companies will have trading rights in our midst in terms of the provisions of this Bill. The most important provision to my mind is this that within a period of 25 years it is open to the Government of India to alter, rescind or even completely abrogate these agreements, in other words, to take over the operation of the Standard Vacuum and other companies, in accordance with our declared policy of nationalisation of industry. To my mind it is a very important provision, and I am glad it is there. I do sincerely hope that now that we have made a beginning as regards attraction of foreign capital to this country this particular provision would not be lost sight of, and that the period of 25 years need not be there for the eventual elimination of foreign enterprises, and that the Government of India would take over all refineries concerned, paying, of course, adequate compensation.

The second point involved in this agreement between the Standard Vacuum on the one part and the Government of India on the other is in regard to training of personnel and also the housing of labour. I believe these are very important provisions too. Only I have got one misgiving. The present employment policy of non-Indian companies in our midst today—I would not like to mention names, because it would be invidious—has not been very happy. Data collected at the highest possible level show that the employment policy of foreign companies in our midst today has become discriminatory towards Indian nationals. I do sincerely trust that once this legislation is passed by this House, the Government would make sure that in the operation of the new contract with the three oil refineries this particular aspect of the question would not be lost sight of. In all, these three oil

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companies are supposed to have a capitalisation of Rs. 50 crores of rupees, and it is the intention of the Government of India to enable this country to have three million tons of refined oil from crude oil imported from overseas countries, in particular from the Persian Gulf area, Indonesia, and so on and so forth.

I was very glad my hon. friend Mr. B. Das made a very brief reference yesterday to the tremendous implications of the establishment of these oil refining companies under foreign management. I am not panicky about the possible recrudescence of war in the immediate future. But the point raised by my hon. friend Mr. Das yesterday was that in the event of war what will be the position of these companies—not in regard to the administration of the companies, but in regard to the production, distribution and sale of the products for which these companies are established. In the eventuality of a war our supplies of crude oil would be stopped; we would not be able to bring to this country the raw material for the processing of these oils for distribution purposes. That is one aspect of the question.

The second aspect as my hon. friend Mr. Das briefly said yesterday—I wish he had the opportunity of expanding it and with my limited experience of this question I shall try to do so—was that in the event of war a company here operating in our midst might take up an attitude which will be in direct contravention of the declared policy of the Government of India as regards the larger issues of war and peace. I do sincerely trust that the Government of India will ensure that nothing will be done to jeopardise not only our national security, but also our national policy with regard to the larger issues of war and peace.

My hon. friend Mr. B. Das—I am again quoting him, because I wish he had the opportunity of expanding his points with his vast experience as Chairman of the Public Accounts Committee—made a reference to the monopolistic activities of foreign companies in our midst. He mentioned one particular company and referred to the monopoly granted to it for the distribution of benzol. It occurred to me as far as the summaries of the contracts between the Standard Vacuum Oil Company and the Government of India are concerned, that there is no adequate provision made for ensuring that the sales and distribution arrangements for the refined oil or the processed oil would not be made unavailable to the public of this country or to the business interests of this country. I am not speaking for any particular group, I am speaking of the nationals of India in regard to the operations of a foreign company. And it occurred to me again that unless and until there is satisfaction given to us on this point, this Bill has got to be considered very closely indeed. Once this legislation is put on the Statute Book, it occurs to me that these agreements will not be limited to the oil refineries alone but to large categories of undertakings in which foreign capital might be interested.

As I look at it, the question of location of the industries also is a matter of vital importance. And with your permission I would briefly refer to a sort of controversy which is sought to be raised as regards the location of the third oil refinery. As you know, two oil refineries, sponsored by the Standard Vacuum Oil Company and Burmah Shell, are located in Bombay. And the location of the third, sponsored under the auspices of Caltex and under the joint enterprise of Caltex and Indian capital, has still to be decided upon. (*Interruption.*) I think my hon. friend, Mr. Das is slightly behind the schedule of events. Last week, the hon. the Planning Minister, while launching a ship at Visakhapatnam, made a statement that this third oil refinery will be located in that city. I personally feel, as an Indian first and last, that technical considerations must be paramount and that the location of an industry of this vital importance—involving, as I have said, Rs. 50 crores, three million tons of processed oil and so on and so forth, and vital considerations of security etc.—should not become a matter of, shall I say, political wrangling between one area and another. I am perfectly satisfied that once these technical questions are properly disposed of —and I request the Government of India to be very careful in these things —there will be any scope for quarrel. My hon. friend is rather jubilant. He thought perhaps that I would make an observation as he expected me to.

Shri B. Das: No, I did not expect.

Dr. Lanka Sundaram: Now that he has provoked me to go into the details, with your permission I would like to say that the working party of the Caltex company is stated to have come to the conclusion that Visakhapatnam is best suited for their operations. And I have reason to believe that at the highest quarters the experts of the Government of India have also come to the same conclusion. I would not have referred to this but for the intervention of my hon. friend Mr. B. Das.

Here I must state, and I speak with a full sense of responsibility, that some sort of wire-pulling is going on to sabotage the scheme. I am perfectly content, and provided the companies concerned and the technical experts of the Government of India are satisfied about the suitability of the location, whether it is Dhanushkodi or any other place in India I will not have any dispute whatever. But I feel very strongly that the question is one of technical dispute and not of political dispute. In terms of the larger implications of the Bill, the offer of a foreign company to come forward and establish any undertaking on terms allowed by us should only be implemented in terms of the best interests of the country at large and not on a parochial or political basis.

One other word on this Bill. Yesterday the hon. the Finance Minister made a reference to the recommendations of the Company Law Committee and said: "the Company Law Committee has suggested a solution, and that is, that the proposed Central Authority for the administration of the Company Law should have the power to exempt any company from the operation of the section" (which we are now seeking to amend by this Bill) etc., and then he came down later to a point that since this Central Authority apparently is not available the power which should have been vested with the Central Authority should be vested with the Government. I personally have no reason to suspect the *bona fides* of the Government as regards the administration of this power. But I do sincerely trust that the Government will very soon bring forward legislation to implement the recommendation made by the Company Law Reform Committee which the hon. the Finance Minister has accepted in principle, apparently. Because, I feel that these are questions involving vast sums of money, and propositions of this character will only become feasible if they are on a gigantic scale. Otherwise I do not think the Government of India would be interested in entering into an agreement with a foreign firm for establishing a few lakhs of rupees worth of industrial undertaking and activity. Since these agreements are negotiated at a Secretariat level, there must be a provision for ensuring that these are properly drafted and properly executed. I will be content if this Central authority is created. But there must be an opportunity for this House from time to time to examine the merits and the implications of contracts of this gigantic character involving, as I have said, crores worth of money, involving considerations of national security and high policy, and the penalty clauses.

The Minister of Finance (Shri C. D. Deshmukh): During the course of negotiations or after them?

Dr. Lanka Sundaram: After. Naturally. But the point raised by the hon. the Finance Minister is very important None of us here wish to interfere with the negotiations.

Shri C. D. Deshmukh: It is not a question of interference. But there are many delicate matters to be settled.

Dr. Lanka Sudaram: My intention is that once an agreement has been drafted this House should be given an opportunity of discussing it. I am not discussing the question of ratification, like ratification of an international treaty. My point is that it must become the subject of a brief discussion in this House so that public fears may be allayed. Otherwise, the political, strategic and industrial implications of contracts of this character will become a bone of contention between, shall I 'say, public opinion (that undefined thing!) on the one side and the Government of India on the other. And I do sincerely trust that the Government of India would proceed with the early establishment of that Central Authority and also give the House an opportunity of going into the bigger issues, not the smaller ones.

Shri A. C. Guha (Santipur): This Bill is going to remove one of the healthiest provisions in the Companies Act, and as such it is open to some criticism in the House. I accept the necessity of having foreign finance. I do not think there is anything wrong in having that : rather, we should encourage having foreign finance. The policy has been enunciated by the hon. the Prime Minister in April, 1949 as regards the terms and conditions on which foreign finance is to be invested here. So, from that point of view there is not much apprehension. I do not agree that there is any apprehension that as a result of any such agreements with respect to having foreign finance invested here we are going to have a control of foreign powers over our economic affairs.

At the time the provision of this Bill applies not only to foreign finance (which also is a very reprehensible thing) but also in respect of our Indian industries. On another occasion I had to mention the practice now prevalent in the Industrial Finance Corporation, and I think that practice has not led to healthy traditions. I

[Shri A. C. Guha]

have had complaints from various sources. Only yesterday the manager of a shareholders company came to me and told me that the money is generally invested in companies in which some of the influential directors of the Corporation are interested. Last year I raised this question and the Finance Minister gave me something like a vague assurance that he would look into the matter, but I do not think anything has been done in that matter. I take this opportunity again to draw his attention to those matters.

Apart from that there is another question in this Bill. This Bill has been provoked by some agreements regarding oil refineries at Bombay with some foreign companies. As far as I know the whole petroleum supply and all the oil refineries in India are in the hands of foreign concerns and we are having a new agreement with some foreign concern, even when we have got Independence, to establish some foreign refineries and we are providing some special provision for those foreign companies, so that they may be tempted to make their investment. It will be agreed that petroleum supply is one of the most vital needs of a nation and if the whole machinery of this important thing is left in the hands of foreigners and if we are to make a special provision in the Companies Act, I think that the hon. Finance Minister has to take special precautions to see that there may not be anything detrimental to the interests of the nation. I have stated before and I repeat again that I do not object to have foreign capital as such. So there is no question of having a foreign investment; but what are the terms that we are going to give them? Yesterday, Mr. Das and and to day Dr. Lanka Sundaram have suggested that these agreements should be subjected to discussion in this House. I completely agree with them that there should not be anything secretive about these agreements. These agreements may be placed in the form of a motion or some how made available to the Members of this House for full and complete discussion. These are agreements with foreign countries and as such there may not be any question of ratification, but there should be full and complete discussion and the opinion of the House should be made available to the Government, so that in some future negotiation, the Government may be guided accordingly. I think that Government should take sufficient precautions to see that while giving exemptions to facilitate foreign investment, they may not lead to some unhealthy practice as has happened in the case of the Industrial Finance Corporation.

10 A.M.

Shri K. K. Basu (Diamond Harbour): The motion today before us is the consideration of an amendment of a particular section of the Indian Companies Act, 1913. Judging from its size, it is very small and there is only one paragraph, but I might say that its implication has a far-reaching effect on the future economic life of our country. The hon. Finance Minister while moving the motion for consideration said, it is only a specific amendment to section 91B of the Indian Companies Act, 1913 and it is necessary in the interest of the nation. In support of his contention, he has quoted the recommendations of the Company Law Inquiry Committee. I shall start from his very proposition that the amendment is necessary for the working out of a particular agreement and whether in such agreement the Government is acting really in the interests of the nation or not. In the same paragraph of the Company Law Inquiry Committee where there is recommendation for exempting the operation of section 91B, they have also recommended that in some cases a more stringent and stricter application of this particular section should be made. Under the Articles of Association they have stated that the quorum of the meeting of the directorship should not be in any case one member. If we have to pass this amendment we have got to consider whether these exemptions are wanted in the interests of the nation. Let us now consider the particular proposition of the agreements for which these amendments are necessary. Some of the points, I am glad to say have been dealt with by my hon. friend, Dr. Lanka Sundaram and even our senior Member, Mr. B. Das, who, I am glad to note, has not joined in the chorus of 'ayes' in support of this motion. In this agreement, we are told that India is going to have oil refineries and for what purpose? It is because India's oil need may to a great extent be supplied by those refineries. We shall consider the terms of the agreement. I shall first refer to capital. It has been suggested that in one concern only 25 per cent. of the capital will be subscribed by Indians in the form of cumulative preference shares without any controlling voice or right to vote. In the case of the Burmah-Shell Company out of Rs. 22 crores of capital only Rs. two crores will be subscribed by Indians in the form of cumulative preference shares without a right to vote. That means that in these concerns, Indians will have no voice.

Then there is no specific mention about developing the Indian resources. They only state that if the crude oils are available, they may be utilized by the refineries but the main source of supply of the crude oils will be the foreign sources. We know and it has also been mentioned by Dr. Lanka Sundaram how the foreign concerns behave and we do not know in times of emergency whether we shall have full utilization of these foreign concerns in the interests of our nation.

Then I come to the training of Indian personnel. We all wish that we should have oil refineries and develop our oil resources and naturally being a backward country, we need technical personnel and the 'know-how'. Here also there is no specific undertaking or promise given by these foreign concerns whether Indian personnel will be trained. Of course, I speak from information which have appeared in the press. I have not seen the actual agreement or an authentic copy of it.

[MR. DEPUTY-SPEAKER *in the Chair*]

It is said that the Indian personnel may be trained if possible and available in these concerns. That means that after 25 years of unfettered right to exploit the Indian market and exploit cheap labour, in India, we may be in the same position as we are today. Hence we are rather critical about these agreements and the floating of these foreign concerns. Then let us consider whether it will develop the capacity or the quantum of oil that is produced in India. We know it is nothing but refining of crude oil that is imported mostly from outside countries. If our Government were so keen on developing our oil resources, they might have got these foreign concerns and foreign capital to develop synthetic oil from coal or other resources. Therefore, we cannot say that this satisfies the test of national interests.

Let us then consider how these foreign concerns behave with the countries where they come to exploit. Public memory is not so short. If we look to the situation in the neighbouring countries, for example, the Middle East countries, we will know how these foreign interests behave. In this connection, I may quote the expression of one of the leading industrialists, Mr. Master.

> "No patriotic Indian can believe that foreign capital has overnight become so altruistic and generous that it would in the future come to India only for India's salvation."

Mr. Master is not a communist propagandist or, as you call, a leftist who sees sinister motives in the actions of our Government. Therefore, we can easily understand the interests that prompt these foreign interests in coming here. If we allow these oil refineries to operate, we suspect they will build up big bertha, wherein warships may be put into in times of emergency. We do not know; in future, occasions may arise when our country may not see eye to eye with the policies of the countries, the nationals of which are finding out this capital and establishing these concerns. We can easily understand what attitude they will take and how they will utilise these enterprises. We all know that economic domination is a vital thing. It is true, in a sense though there may be differences that to a certain extent we have got political power. Unless there is economic freedom, this transfer of political power has no meaning. In this connection, with your permission, Sir, may I quote a recommendation of the Congress National Planning Committee over which our present Prime Minister presided?

> "The investment of foreign capital in Indian agricultural, mineral and industrial concerns since the establishment of British rule has resulted in the acquisition by foreign interests of a measure of control over India's economic and political life which has both warped and retarded national development."

It pains us to find that the same person, who is now the head of the Government is allowing these foreign concerns to come anew and invest their capital to exploit our national resources for another 25 years or more.

We have yet another experience of these foreign concerns. Specially in our part, there are so many foreign enterprises which exploit even today in the same fashion as they have been doing for the last 200 years. Therefore, I appeal to this House that, as the first elected Parliament of India, they should not give their support to this legislation which may one day endanger the political power that we have got. In this connection, I may mention how this institution is likely

[Shri K. K. Basu]

to work. Unless we categorically state that we have become allies or that we have tied ourselves to the interests and economic domination of the Anglo-Americans, we cannot support such a legislation. We have seen and students of history know well how the Britishers came to Delhi under *sannads* to trade and how they stayed to rule over us and exploit us for 150 years. We on this side of the House strongly oppose the special purpose for which this amendment is sought. It does not satisfy the test of national interests of this country. On the other hand, we think the time has come for this Government to decide, whether by allowing these foreign interests to infiltrate into our country and allowing them to exploit us for a number of years without restriction, they are bartering away the future of our country and thus in future we may lose whatever political power we have got today. We on this side of the House are not against foreign capital coming in, But, whatever foreign capital comes, must come without any political strings and without any possibility of their using the capital in such a way which may endanger the national security of our country. Therefore, we want that the foreign capital must come in at a Governmental level or if necessary in the form of loans. Therefore, I appeal to the Members of the Government and to the House to consider whether by giving their consent to such legislation, they are mortagaging not only the present generation, but also the future posterity of the nation.

With these words, I strongly oppose the acceptance of this particular amendment.

Dr. S. P. Mookerjee (Calcutta-South-East): The speech which the Finance Minister made yesterday has raised certain important issues. Of course, he made it quite clear that there was no intention on the part of the Government to deviate from the salutary principle which has been accepted and which is to be equally applied to all companies, but there are the cases of the subsidiary companies which are being created in India and which have special relationship with their holding companies abroad. It is quite possible that some exception may have to be made in their cases in the public interests. I am glad that this power has been kept in the hands of the Government and Government alone, because exceptions must not become the rule. In every case where an exception is made, I hope some opportunity will be given to the House to consider that. I am not suggesting that in every case there should be a debate. But, the House should be told the circumstances under which such exceptions are being admitted, and the special public interests for which this is being done.

I do not feel very nervous about foreign capital coming to India so long as we play our part properly. We are a free Government now. We need not be afraid of any political domination being visited upon India through these companies unless our Government betrays. If our Government accepts conditions which are against national interests, then, it is no use blaming foreign capital; the blame will rest on our own Government. This matter has been under discussion for the last four or five years and certain general principles have been accepted The Finance Minister and also the Prime Minister have often mentioned these general principles. Now, when foreign capital is coming to India, naturally it must be in respect of some industry which needs specially to be developed. We should not have competing companies established in India which will help to destroy the Indian-sponsored companies. So far as this oil refinery is concerned, I entirely agree with the Finance Minister that it is one of national importance. We cannot do it on our own. Therefore, naturally, we have to depend on foreign support. I shall just mention a few of the conditions that we should impose and I believe many of them would be acceptable to the Finance Minister, as he has himself said on previous occasions. So far as the foreign companies in India are concerned, why should not 51 per cent. of the shares be held by Indians? If that is not done immediately, why should not a time limit be imposed, that within such and such a period it will be open to Indians to hold the majority of shares in the companies?

Dr. Lanka Sundaram: It is 25 per cent. now.

Dr. S. P. Mookerjee: I know that I know the difficulty in the present case. They may not agree to accept more than 25 per cent. So, I would not rule out co-operation with this company because here we have to weigh the advantages and disadvantages. In India's interests these oil refineries should be established. In fact, we are a little late already. Now, if we find that to start with, they are not agreeable to have more than 25 per cent. of Indian share, well, it should be possible for us to have a period within which this may be increased to 51 per cent. It is the aim that we have to keep in view in dealing with such matters. We cannot categorically deal with principles, but so long as the final aim is kept before us, we should be able to work in such a way that we help to encourage the foreign investors to come here, and at the same time we protect India's national interests.

Now, of late great stress has been laid on the need for training Indians. Now, every foreigner that is brought out, so far as technical work is concerned, must have an Indian understudy, and we must have a period settled within which these new endeavours can be controlled entirely by Indians. There is nothing wrong in this statement, but that should be settled before we come to an agreement with any company. Now, with regard to the arrangements that are now going on, I hope the Finance Minister is......... Is he leaving?

Shri C. D. Deshmukh: No, I am not leaving.

Dr. P. S. Deshmukh (Amravati East): He is getting the information on the point referred to.

Dr. S. P. Mookerjee: He carries his information in his head. He should be able to answer all right, and I am partially supporting the stand which he has taken.

Now, so far as the employment goes, I know it is a delicate matter, but I would like to speak out on this occasion because certain facts have been brought to our notice which are of a disturbing nature. I need not mention the names of the companies which are now functioning in India, but some of these oil companies which are now in Assam, have recently terminated the services of a number of Indians. It would not be correct to say that they have actually terminated their services. This is rather an important point which the Minister should hear.

An Hon. Member: This is much too unpleasant a truth. He does not want to hear.

Dr. S. P. Mookerjee: Recently, some of the oil companies in Assam have got rid of some of their Indian employees. They have a system of giving training for drillers or some thing like that, and the understanding is that as soon as the training is completed, they are absorbed in the service of the company. Recently, they have been importing the services of foreigners from Persia. They have lost their jobs on account of the dispute relating to the Persian Oil Company, and they are being slowly imported into India. And the Indians who had hitherto been assured that as soon as their training was completed, they would get employment, they are being turned out. They are not always actually being turned out, but they are being told that their work is not very satisfactory, they have to be replaced by more competent persons, who, accidentally I suppose, are just being made available from Persia. Now, I have got a number of representations.

An Hon. Member: Their number will not be more than twelve now.

Dr. S. P. Mookerjee: But the question of principle involved is very important. If they once start doing it, they will go on applying this principle.

Here, consider what Pakistan has done. A similar attempt was made in Chittagong, and a number of employees there happened to be Muslims, and their services also were terminated on the same pretext. Here, there was equality about inefficiency in India and Pakistan, and suddenly, the Indian and Pakistani citizens working in these oil companies became inefficient and British employees from Persia came, but Pakistan took a very firm attitude. Of course, they do not have any legislative power, but only through gentle persuasion they have succeeded in reinstating practically all these persons, and also stopping this policy of importing foreigners from abroad for this purpose.

It is not with regard to the oil companies alone. Calcutta is a centre where there is a large number of these British companies still functioning. And in 1947, after the attainment of independence, there was a general reluctance on the part of many of these foreign employees to remain in India. At any rate, there was a drop in the number of new Britishers being appointed. But, now I have been hearing this has changed and a large number of foreigners are being recruited, recruited not on technical jobs, but on non-technical jobs also, and I know from personal knowledge that there have been cases of many qualified Indians who, on some pretext or other, have been asked to clear out. And not only that. Qualified Indians have been made to serve under young foreigners who have been brought out on much higher salaries. Now, this is the sort of thing which should not be tolerated. I know there is no legal power. These companies may well retort and say: "We are appointing these persons according to our choice". But there should be some general principle accepted. I am not against

[Dr. S. P. Mookerjee]

the appointment of any foreigner in India. Not at all. If for any technical job, no Indian is available, by all means, let the foreigners be appointed, but if they are appointed, these companies should make an attempt and appoint Indians after providing training within a certain prescribed period. But, so far as ordinary jobs are concerned which can easily be filled up by Indians, there should be restriction on the appointment of foreigners to these posts. Now, their number has lately increased. I am making a public reference to it here. First of all, I hesitated to do so and I thought of writing to the Finance Minister, but the way in which this is developing, we must cry a halt to it, and perhaps if a discussion takes place on the floor of the House on this occasion, it may give sufficient warning to these gentlemen. There should be some general principle on this question.

To sum up there is no difference of opinion so far as I am concerned, with the general policy enunciated by the Finance Minister on the occasion of the Budget, *viz.*, that our primary consideration will be our national interest, that where we consider in our national interest foreign investment should be encouraged, we will encourage it, and we will lay down such conditions as will not in any way be derogatory to our national requirements. I do not at all believe there can be any in the Government, however much you may criticise them, who are anxious to sell the country to any foreign investor, or allow Emperor Jahangir's experiment to be repeated. There is no chance of any foreign investors coming in the garb of business men to India in 1952 and re-conquering India by fraud or by any other methods after 50 years. There is no chance of that happening, but still we should be a little careful, and there is no harm in our foreign friends knowing that if they desire to come to India, they do so on certain general considerations. Once they come here, there should be no discrimination. We should treat them in the same way as we treat Indians. There should be one provision, that we should be able to nationalise any particular concern if Government so decides. Now, when I was in office, I had something to do with negotiations with a number of foreign companies in these matters, and so far as my memory goes, many of them welcomed it, provided they were paid the necessary compensation. Now, here also whenever we enter into any big agreement with regard to a matter which concerns our national interest, we should be able to provide that if Government decides at any time to nationalise the industry, it will pay the party reasonable compensation and it should not raise any objection if Government decides to take over such concerns. Some of these points are not new ones; they have been already raised in the House, but they have arisen out of the Finance Minister's speech made yesterday, and I hope he will reiterate the policy of Government so that there may not be any misgiving either inside the House or outside.

पंडित मुनीश्वर दत्त उपाध्याय (जिला प्रतापगढ़—पूर्व) : उपाध्यक्ष महोदय यह विधेयक जो भवन के सामने है, इसके द्वारा हम कम्पनी एक्ट (Company Act) की दफा ९१ बी के कुछ प्राहिबिशन्स (prohibitions) को ढीला करना चाहते हैं। जब ऐसे नियेध, ऐसे प्राहिबिशन्स जैसे कि दफा ९१ बी में दिये हुए हैं, उनको ढीला करना होता है तो यह आवश्यक होता है कि हम देख लें कि ऐसे निषेधों को ढीला कर देने का क्या नतीजा होगा। यह निषेध अत्यावश्यक हैं। इन का सम्बन्ध डाइरेक्टरों (directors) से है जो कि कम्पनी के अधिकारी होते हैं, और जब कोई उनसे सम्बन्ध रखता हुआ प्रश्न कम्पनी के सामने आये, उनकी किसी कमेटी की बैठक में आये तो उनको इस पर मत देने का अधिकार नहीं होता। इस प्रकार का निषेध किसी कम्पनी के काम को अच्छी तरह से चलाने के लिये इतना आवश्यक है और इतना लाभदायक है कि जब कभी हम इसमें ढीलापन लाने की कोशिश करें या किसी वजह से इसको आवश्यक समझें तो यह जरूरी होता है कि देख लें कि इस निषेध को ढीला करने का क्या नतीजा होगा, इससे क्या हानियां हो सकती हैं, और जब तक कोई बहुत बड़ा लाभ न हो, इस ढीलेपन की तरफ़ सोचना भी नहीं चाहिये। लेकिन जैसा हम देखते हैं, जो प्रश्न हमारे सामने हैं,

वहां पर निषेध को ढीला करना आवश्यक समझा गया है और इस म सन्देह भी नहीं कि यह आवश्यक है और यह देश के लिये उपयोगी है। जैसा कि डा० मुखर्जी साहब ने भी अभी स्वीकार किया, वह कई तरह से उपयोगी है। उन्होंने कई सुझाव भी दिये हैं जिन के सम्बन्ध में कुछ निवेदन करूंगा।

जब हम देखते हैं कि ऐसे निषेध को ढीला करने से इतना लाभ है तो इस को ढीला करने में यदि थोड़ी हानि भी हो दिक्क़तें भी हों, और कुछ प्रतिबन्ध भी लगाने पड़ें तो भी इसका करना आवश्यक प्रतीत होता है। अगर इस निषेध को ढीला करने से हमारी सरकार को यह अधिकार हो कि जहां कहीं अवसर मिलने पर वह देश को फायदा पहुंचा सकती है तो उनको यह अधिकार दे दिया जाना उपयोगी होगा इस से पहले एक बात यह है कि विदेशों से पूंजी हमारे देश को आती है और उस पूंजी के ज़रिये से जो उद्योग धंधे कायम होते हैं उसका उपयोग हम अच्छी तरह समझते हैं और फिर जो मुआहिदे हुए हैं इस सम्बन्ध में विदेशों के कम्पनियों से, उनकी उपयोगिता को भी हमने देखा और अपने मित्रों से सुना। मैं समझता हूं कि इस पर कोई अधिक मतभेद नहीं है, सिवा इसके कि हमारे श्री वासु ने यह प्रकट किया कि उन को यह आदेश है कि कहीं ऐसा न हो कि एकानमिक कंट्रोल (economic control) बाहर वालों का हो जाये, एकानमिक डामिनेशन (Economic domination) उन लोगों का हो जाय। ऐसा सन्देह उन्होंने प्रकट किया, लेकिन मैं समझता हूं कि अगर इस प्रकार हम छोटी छोटी बातों पर सन्देह करते रहें तो हम आगे बढ़ ही नहीं सकते। कोई दूसरे मुल्क वाले लोग अगर यहां पूंजी लगा कर उद्योग धंधे करते हैं तो ऐसा समझना कि वह हमारी एकानमी (economy) पर हावी हो जायेंगे, मेरी समझ में इन्फ़ीरियारिटी कम्प्लेक्स (inferiority complex) की बात है, वरन् हमें ऐसा सन्देह करना उचित नहीं मालूम होता है। जो मुहाहिदे हुए हैं वे हमारे पक्ष में हैं, जो बातें हम ने दूसरे मुल्कों से तय की हैं, इस सम्बन्ध में, उनसे हमारा फ़ायदा है। उस फ़ायदे को देखते हुए हम अपने निषेध को जो इस कम्पनी एक्ट में दिया हुआ है, दफा ९१ बी में, ढीला करने की सोच रहे हैं। लेकिन एक खतरा जो मुझे लगता है वह मैं आप से निवेदन करना चाहता हूं। वह खतरा यह है कि जहां कहीं उस की आवश्यकता देश के हित में है वहां तो ठीक है, लेकिन इसमें हम जो संशोधन ला रहे हैं उस में विशेष रूप से यह नहीं कह रहे हैं कि यह उन्हीं कम्पनीज़ के सम्बन्ध में, या उन्हीं संस्थाओं के सम्बन्ध में हैं जिनसे हमारा मुआहिदा हो चुका है और हम इन निषेधों को उन्हीं के सम्बन्ध में ढीला करेंगे। या हम इन प्राहिबिशन्स को उन्हीं के सम्बन्ध में रिलैक्स (relax) करेंगे यह हमारे संशोधन में साफ़ तौर से नहीं दिया हुआ है। इस लिये अन्देशा यह है कि कहीं यह ढीलापन आम तौर से हमारे स्थानीय कम्पनियों के सम्बन्ध में भी न होने लगे और अगर ऐसा होता है तो दरअस्ल यह बड़ा खतरनाक होगा। जहां तक हमारी केन्द्रीय सरकार का सम्बन्ध है और जहां तक मंत्री महोदय या और ऐसे ही लोगों के हाथ में यह काम होने का सम्बन्ध है, मुझे विश्वास है कि कोई ऐसी गल्ती नहीं हो सकती, कोई ऐसा अन्देशा किसी को [illegible] चाहिये। लेकिन जब यह कार्रवाई चलने लगती है तो बहुधा नीचे के अफ़सरों की रिपोर्टों पर कार्रवाई होने लगती है और अगर कभी इस तरह की कार्रवाई हो और जितने अफ़सरों

[पंडित मुनिश्वर दत्त उपाध्याय]

को इस में रक्खा जाय उन की रिपोर्टों पर कार्रवाई कर के कम्पनियों को मुस्तसना किया जाय, या उन के सम्बन्ध में निषेध ढीले किये जायें तो उस जगह पर यह बड़ा ख़तरनाक होगा । अगर यह नहीं होता है तो मैं समझता हूं कि यह जो निषेध को ढीला करने की नीति इस संशोधन के द्वारा लाई जा रही है, वह हर प्रकार से उपयोगी होगी ।

एक बात मैं और निवेदन करना चाहता हूं । अभी डा० मुखर्जी साहब ने चन्द कम्पनियों के कर्मचारियों के सम्बन्ध में कहा कि उन्हें अन्देशा है, मैं उन से इस में सहमत हूं कि जहां तक कर्मचारियों का सम्बन्ध है, जहां तक उन कम्पनियों में कर्मचारियों की नियुक्ति का सम्बन्ध है, उस पर ज़रूर ध्यान दिया जाना चाहिये । और जैसा उन्होंने सुझाव दिया कि अगर हम ५१ फ़ीसदी के क़रीब शेअर (share) अपने पास रक्खें, अर्थात् हिन्दुस्तानी कम्पनियों के हाथ में रक्खें तब हम कामयाबी के साथ उन पर अनुशासन रख रकते हैं, मैं समझता हूं कि इस वक्त जो स्थिति है, जो मुआहिदे हुए हैं, उन मुआहिदों के अनुसार हम ५१ फ़ीसदी रख ही नहीं सकते हैं, हम मजबूर हैं पच्चीस फ़ीसदी रखने के लिये, उन्होंने एक और सुझाव दिया कि धीरे धीरे कुछ दिनों में ऐसा किया जाय कि यह बढ़ कर ५१ फ़ीसदी या उस से ज्यादा हो जाय । मैं समझता हूं कि इस सम्बन्ध में पच्चीस वर्ष में कम्पनियां सरकार की हो जायेंगी—अग्रीमेन्ट (agreement) में उन के लिये पच्चीस वर्षों का समय है । तब तक यह हुकूक उन को रहने हीं चाहियें । इस लिये मैं समझता हूं कि यह सम्भव नहीं है ।

जो कुछ उन्होंने कर्मचारियों के सम्बन्ध मे कहा उस का ध्यान रखना मेरी सम्मति में आवश्यक है । यह विधेयक जो लाया गया है बड़ा उपयोगी है और अगर वह ख़तरा जो मैं ने आप से निवेदन किया उस से हम बचें तो मैं समझता हूं कि इस से हमारा हर प्रकार से लाभ होगा ।

Shri G. P. Sinha (Palamau cum Hazaribagh *cum* Ranchi): I would like a clarification from the hon. Minister regarding one point. I would like to know what will be the position of Indian investors, to what percentage they will be allowed to hold shares, and what will be the nature of their shares, ordinary or preferential, and what will be their control?

Mr. Deputy-Speaker: The hon. Minister has stated the position already.

Shri C. D. Deshmukh: I have given that information already.

Mr. Deputy-Speaker: If there is anything lacking, the hon. Minister will give it in his reply.

Shri V. B. Gandhi (Bombay City—North): We shall do well to begin consideration of this the Indian Companies (Amendment) Bill, by clearing our minds of some of the prevalent misgivings. We shall in the beginning clearly understand that the prohibitions of section 91B will continue to be operating in all those cases in which they are intended to be operating hitherto. There will be no restrictions or limitations on the operation of this section. As we understand, section 91B is one of the three sections 91A, 91B and 91C, which have to do with the disclosure of the interests of Directors.

Now what is sought to be achieved by this amendment is not altering the substantive provisions of law in section 91B. but we are trying to add one more sub-section, sub-section (4) to section 91B. Now, this new sub-section (4) is intended to deal with a new type of company, which, we expect, will come into existence in this country, the type, I mean, of subsidiary companies, which are public companies, parent companies of which will generally be situated in foreign countries. Now whether or not we should encourage the coming into

existence of such new types of subsidiary companies is a question with which I shall deal presently when I shall come to consider some of the points made by my friend, the hon. Dr. Lanka Sundaram. Assuming for the present that we want such companies to come into existence and that they are in public interest in the present needs of the country, then it is necessary—very clearly necessary—that we relax to some extent in favour of these new types of subsidiary companies some of the prohibitions contained in section 91B. In the nature of things, we shall expect that a majority of the Directors of these subsidiary companies are bound to be the nominees of the parent companies, in as much as the parent companies are likely in most cases to have a major share of the capital. Now under the existing prohibitions of section 91B, it will be impossible to form such subsidiary companies, or rather I should say, it would be impossible to conduct such subsidiary companies since a majority of the Directors will be unable to vote on most matters dealing with the parent company, or in most matters in which the parent company is interested. In fact, under the prohibitions of section 91B, even the presence of this majority of Directors will not be counted for the purpose of forming a quorum. Therefore, if we admit that this new type of subsidiary company is in the interests of the country, then we must do something to make it possible that such companies should be formed in this country.

Now, the new sub-section (4) that we are going to add to section 91B does not really give any kind of an unqualified exemption or some kind of a blanket exemption, and also it does not give it to all companies, to any company that comes along. As has been made very clear by the Finance Minister and also as is stated in the new sub-section itself, the overriding consideration will be that, in the opinion of the Government of India, it is in the public interest that such exemption be granted to any particular company. Each case of a new company deserving such exemption will be examined on its own merits, and even in the matter of exemption it is not going to be a wholesale exemption. As is stated in the words of the sub-section itself, these exemptions will be subject to such exceptions, modifications or conditions as may be specified in the notification. In other words the scope of the exemption and in fact, the scope of the new sub-section (4) is very restricted.

I was very much pleased with the speech of the hon. Dr. S. P. Mookerjee. It was very encouraging and gave some very clear views on the desirability of having foreign investments in this country. I personally do not mind the very serious language in which the hon. Mr. B. Das yesterday uttered some warning in accepting or in encouraging foreign capital, although I would not be so very nervous as his words would indicate he was to some extent. After all, the oil companies like the Standard Vacuum, the Caltex and others which are involved in the present instance are mammoth organisations, world wide organisations; they are in power and prestige almost super-States and we cannot be too careful in dealing with them. I would rather be over-cautious than over-confident in such matters.

Now coming to one point made by Dr. Lanka Sundaram, he said that the Government of India seeking investment by agreement with these oil companies means an admission of failure to raise rupee capital in India. Now this claim is a very oft-repeated claim and we in this House may do well to consider it in some detail here. Now what does it mean? Our object here, let us understand it, is that we want to establish oil refineries in this country and we want them to function soon. That is our objective. Now that means—Dr. Lanka Sundaram said something like 50 crores of rupees. I do not quarrel with the figure, let us take it as 50 crores of rupees—and supposing we in this country are able to raise a capital of 50 crores of rupees, are we by that act in a position to have an oil refinery in this country? Laying out 50 crores of rupees in heaps in India certainly will not give us an oil refinery. What we require today is equipment, equipment of a highly specialised kind. What we require today is skill and the 'know-how' which, unfortunately, is possessed by citizens of countries other than India. Supposing we have this capital of Rs. 50 crores raised in India, and supposing we are determined to have an oil refinery with our own capital, what is the first problem we will be confronted with? The equipment that we need is available in foreign countries. In other words, we shall have to have foreign exchange to pay for that equipment granting that the equipment is available to us. Dollar exchange, for instance: Do we have the requisite amount of dollar exchange at our disposal today? That is our first difficulty. Secondly, even if we manage to have the necessary dollar exchange, is the equipment available? Oil refinery equipment is a thing of such a highly specialised

[Shri V. B. Gandhi]

nature that it is not available in the open market; we have to go through a series of negotiations with Governments and with monopolistic corporations in order that they may be induced to let us have the equipment. Then again there is the question of technical skill, and all that sort of thing. Therefore whatever may be the truth in the general statement of my friend, Dr. Lanka Sundaram about the non-availability of rupee capital, it is not very relevant in this particular instance.

Finally, I shall only say that the scope of the amendment is very restricted and that it is very necessary in the context of the present needs of this country. So far as other issues are concerned, such as the desirability of inviting foreign capital or the extent to which it should be accepted or the terms on which it should be allowed to come in, they are issues which may be considered separately.

Shri Nambiar (Mayuram): We are told today that there are certain stumbling blocks in the Act which stop money and material from coming to India and which also stop the further development of Indian industry, that by this amending Bill they want to remove those stumbling-blocks so that money and material may come into India from foreign concerns, so that in due course India may become prosperous. This is the sum total of the desire on the part of the Ministry in bringing forward this amendment. We are also told by the hon. Members on the other side that after all India requires oil refineries, India requires more and more oil and therefore these people are being invited to come in and help improve our industry. But I want to draw your attention to this fact. What are the agreements with these people who are supposed to help Indian industry? As an instance, I will confine myself to certain well-known firms, namely the Standard Vacuum Oil Co., the Burmah-Shell, and the other one which is in the offing, namely Caltex. The idea is that these concerns will bring into India Rs. 60 crores worth of foreign capital; they will not only import money but will also import crude oil which will be refined on the Indian shores. This crude oil which they will import will be free of duty. In return they will be free to export profits, unlimited profits, for a period of 25 years from India. They will also be given tariff protection for ten years from the date of operation.

I have said that the crude oil which they will import will be refined on Indian shores. We have our own opinion of what sort of refineries they will be because we are not producing oil in this country. Their idea is to import it and towards this end every facility is being granted to them at the three ports of Bombay, Calcutta and Madras to berth oil tankers of up to 30,000 tons. Unless and until oil is produced in India there is no meaning in saying that these refineries will help us because the question we are faced with is shortage of oil. If oil cannot be got from the earth we can at least produce it through the synthetic process from coal. Even that is not done though we have large supplies of coal available in the country. Therefore, I say that it is only refineries that we get and not oil. And in return we say we will allow these people to take away up to Rs. 20 crores every year, that is at a 40 per cent. rate. They are given all these facilities. What I would suggest is this. Importing crude oil and refining it here will not solve our problem because instead of importing crude oil you can as well import refined oil. Our problem will be solved only by producing our requirements of oil in India itself. I say that this concession given to these foreign concerns does not basically solve the problem of India, it only gives them another chance to exploit us to the extent of about Rs. 20 crores every year calling it profits. By doing so we are allowing the foreign monopolists to have more say in the Indian economy and allowing them to harvest more out of India than really help Indian industry to develop. That is why I repeat that we should not allow the foreign capitalists to come here and have further sway in India. Let me quote from the American press. This is the *American Reporter* dated 5th December, 1951. It says:

> "Sandard Vacuum Oil Company, an American firm, is financing the aerial survey of 73,000 square miles of Bengal Basin, covering parts of both India and Pakistan. It has contracted with Fairchild Aerial Surveys, another American firm which specialises in aerial exploration, to map the hidden rock structure of the countryside with a magneto-meter".

What for? Because this is not only an attempt to get more and more of an economic stranglehold on India but also to have these strategic places in their control. They are trying to utilise this cover to get information about these strategic places in India because it is a part and parcel of the work of the American war machine to obtain control over vast strategic areas in India.

Mr. Deputy-Speaker: The hon. Member is evidently seeing war in a basin.

Shri Nambiar: That is what is stated here. I am not speaking on my own, I am saying what is mentioned here—otherwise it can be easily stated that this is Communist propaganda. That is why I am quoting the very devil, from the devil's own scriptures so that I cannot be accused of a Communist stunt. When today we say we are trying to develop our own resources and trying to develop our own economy, when we want Indian interests to be supreme and Indians to come forward, why should we sell these things to the foreign concerns and make the foreign concerns dominate over us? I ask this simple question to the hon. Minister in all humility: Are we serving the interest of India and of her people by allowing these foreigners to come in, especially when we are hearing so much of the agitation by the people of Iran against the British dominated oil interests in Iran? The entire people of Iran are fighting against the British interests there and the fight is going on and has reached a very high stage as a national struggle. While monopoly interests are being fought everywhere by the people of Asia are we allowing these monopolists to come and sit tight over our heads? Is it in the national interest? Is this the way to encourage Indian industry? These foreign monopolists are given the right to exploit the labour in such a way that they violate certain labour legislations, or take their labour out of the ambit of those labour legislations. I do not know the details, but when we get the details we shall see that it is not in the interests of the Indian people to grant these exemptions. Therefore, I oppose this Bill.

You may ask: how are we to improve over industry? How are we to get more oil? I suggest that the Government of India may help Indian capitalists to discover methods by which they can manufacture synthetic oil out of coal. We have plenty of coal and a large number of collieries.

Shri H. S. Reddy (Kurnool): How is all this relevant? The present Bill only seeks to effect some modification in the Indian Companies Act. The hon. Minister wants to take powers to amend section 91B. In that connection, how is the hon. Member's reference to Iran, labour and all that relevant?

Shri K. K. Basu: I am afraid the hon. Member has not read the Statement of Objects and Reasons. This amendment is not in the interests of the nation and it is necessary to explain how it affects the interests of the nation.

Shri H. S. Reddy: The point has been placed before the Deputy-Speaker, and not the hon. Member.

Shri Gadgil (Poona Central): Let us hear a little of irrelevant things too.

Mr. Deputy-Speaker: The hon. Minister has referred to only one or two oil companies in Bombay.

An Hon. Member: Three, Sir.

Mr. Deputy-Speaker: In refusing to vote for this proposition and enlisting the sympathy of the House, the hon. Member wants to squeeze out the oil companies.

Shri Nambiar: No, Sir. Not only these concerns but also some other foreign concerns are about to come in, because I have an extract here from the Bombay *Commerce* journal, wherein it is said:

> "A number of foreign manufacturers are currently considering the possibilities of extending their spheres of activity to India. Of this, particular mention may be made of an American company's willingness to consider a proposal for establishing a steel and titanium manufacturing factory either in collaboration with the Government or with private capital involving an investment of 10 million dollars."

Then, there is a proposal according to the same paper by a French firm for participating in the expansion and development of the shipbuilding yard at Vishakapatnam. Therefore, these oil companies are not the only ones involved. As and when you pass this Bill, it will give a chance to foreign capitalists to come in more and more. There are people ready to establish titanium plants, and you know very well how essential titanium is.

Mr. Deputy-Speaker: Order, order. Titanium may be essential, but the hon. Member must confine himself to the scope of the Bill. All that it says is that the present Act does not prohibit any contract being entered into between the subsidiary company and the original company. It wants to give some exemption. Whether those exceptions can be made or not, whether the Central Government can be clothed with that power or not—these are the only matters within the scope of this Bill. There is no good bringing

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in the foreign companies, and explaining the details of the terms and conditions, the propriety or otherwise of a particular industry, etc. is beyond the scope of the Bill.

11 A.M.

Shri Nambiar: I am only arguing in order to show that these exemptions should not be granted. They are not in the national interest. Not only that, they are harmful. If titanium is allowed to be exploited by these foreigners, they may actually utilise it for producing the atom bomb and help in starting the Third World War. So, there is a positive and concrete danger, and no exemptions should be granted. If we grant them, we are "suiciding" ourselves.

Shri S. V. Ramaswamy (Salem): Is there a word like "suiciding" in the English language?

Shri Nambiar: If the hon. Member does not understand the word "suicide", I will ask him to refer to the dictionary.

Mr. Deputy-Speaker: It is open to hon. Members to create new words. There is no harm.

Shri Nambiar: Mr. Ramaswamy is capable of doing many things and he has done many things. He will not only create new words, but new theories also. I know that.

I submit that these exemptions should not be allowed. Firstly, it is not in the national interest. Secondly, it is against the common man in this country and the labourer in this country. Thirdly, it will make India more and more dependent upon foreign capitalists who are out to make India an appendage to their economy. Therefore, I oppose this Bill.

Shri N. C. Chatterjee (Hooghly): The hon. Finance Minister has referred to para. 98 of the Company Law Committee's report in justification of this Bill. That report points out that this section 91B imposes a very salutary prohibition on an interested director entering into a contract in which he may be directly or indirectly interested. You know that where there is any conflict between interest and duty the man who has an interest should not be allowed to participate in any proceedings in which decisions will be taken. This committee has further recommended that this section should be made more stringent and the prohibition should be made more strict. It says that the interested director should not at all take part in the proceedings. As you know, section 91B says that a contract, if entered into in violation of the prohibition, shall be illegal. The recommendation of the committee is that the penalty that is now prescribed for the contravention of this provision should be raised from Rs. 1,000 to Rs. 5,000 and any director who violates it should be subjected to this heavy fine. Then, they have made another recommendation in pursuance of which the hon. Minister has brought forward this Bill. I do not think the hon. the Finance Minister is unaware of the feeling in this country that suitable steps should be taken to see that our economic interests are not in any way jeopardised by foreign companies being brought in to our national detriment.

One point that I wish to raise is that this Bill as it is drafted is repugnant to article 14 of the Constitution which guarantees equal protection of law. The Supreme Court in a number of recent judgments has clarified the position. The present Chief Justice of India, Mr. Justice Patanjali Shastri, has pointed out that before you make any classification or give an exemption to any person, the classification must be based on intelligible "differentia". I am quoting his language, in the Sholapur case. The classification "must be based on differentia having a rational relation to the object to be attained." And if there be no differentia prescribed in the statute having a rational relation to the objects sought to be obtained, then the matter is within the inhibition of Article 14 and hence *ultra vires*.

Another case came up before the Supreme Court recently, called the West Bengal Special Courts Act case. In the West Bengal Special Courts Act, there was some wording to the effect that you have here. Our Minister may point out that he has provided that only in the public interest a company can be exempted. There, the West Bengal Special Courts Act said that for speedy trial the Government might direct any particular case or particular cases to be tried by special courts having a special procedure. The contention before the Supreme Court was that it was illegal. The Attorney-General argued that there were some criteria, some differentia, namely, speedy trial. The Supreme Court held that was illegal, being repugnant to Article 14. The Supreme Court further said that even assuming that the Preamble of the

Statute throws any light on the section, the necessity of speedy trial or speedier trial is too vague, uncertain and elusive a criterion to form a rational basis for discrimination. I am asking the hon. the Finance Minister and the Law Minister to consider whether a bare statement like this, without laying down any criterion or differentia is not too vague, uncertain and elusive? Does it really prescribe any criterion to form a **rational basis for classification?**

The latest case which the Supreme Court has dealt with on this point is Lachmandas Kewalram and another *vs.* State of Bombay where the Bombay Public Security Measures Act has been declared to be *ultra vires*, because it authorises the Government in its discretion to discriminate in a particular case so that a particular case shall go to a special tribunal to be tried by special procedure. Mr. Justice S. R. Das, who delivered the majority judgment says:

> While article 14 forbids class legislation it does not forbid reasonable classification for the purposes of legislation. In order, however, to pass the test of permissible classification, two conditions must be fulfilled, namely, (i) that the classification must be founded on an intelligible differentia which distinguishes persons or things that are grouped together from others who are left out of the group and (ii) that differentia must have a rational relation to the object sought to be achieved by the Act.

The contention that was put forward on behalf of the citizen was that you should not confuse the means with the end. Here public interest may be the end but not the means and if you do not prescribe a differentia, then it is liable to attack. I would therefore suggest that this clause is capable of suitable redrafting and that should be done to avoid any attack on the ground of inhibition of guarantee of fundamental right providing for equal protection of law. I am not saying that there should be no power given to Government whereby they may discriminate, but the principal criteria, the differentia on which the executive should be allowed to discriminate, should be prescribed in the Statute. You know that it is for the Parliament to legislate; it is not for the executive to legislate. The Supreme Court has said that legislation must be the expression of the will of the legislature and the legislature must formulate its legislative judgment. Therefore, the criteria must be prescribed in the Statute. Otherwise it will be open to attack and this must be safeguarded.

Shri C. D. Deshmukh: I think I better give the factual background first. We have agreements with two companies and are still negotiating with the third and that is the principal reason why we are not able to place the agreements with the first two before the House. At the proper time I have no doubt that it will be possible for us to do so. That time may not come till after we have concluded agreement with the third company. There are certain clauses which will require further action and it would not be in the public interest to divulge the whole of the agreements now. But I can assure the House that it is not because it contains any political strings or for any other reason unconnected with public interest.

Now in accordance with two of the agreements, companies have already started construction work and they have established private limited companies, because of the difficulty which we are seeking to remove by the present provision. Therefore, it is not as if we are considering today whether we should have these agreements or not. The agreements are there and as I said in the fullness of time the House will have opportunity of expressing itself on them.

But today the question is whether, as the proceedings of these companies go on, we should not try to implement one of the terms of the agreement which is connected with the way in which control is exercised. That is the limited point of this Bill. It is not, as one hon. Member put it, with the object of attracting foreign investment. I have gone through my speech again and I fail to find any reference there to the attraction of foreign investment. I have merely said that this has arisen out of the agreements with the oil companies, although the recommendation is in general terms in the expert committee's report and recommendations. Therefore I do not wish to join issue with the two hon. Members opposite who drew attention to the danger of our entering into entanglements by way of inviting foreign capital. I would only like to reinforce the observation which fell from one of the hon. Members here that their general attitude seems to show excessive suspicion and excessive lack of confidence. The entire set of circumstances has now changed with the advent of independence and I have no doubt whatsoever—and here I am representing the whole Government's view—that

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we shall be able to deal with any political or other complications that might arise as a result of the establishment of foreign companies or foreign interests here. We shall welcome them only as long as they further India's interest. That will be the primary criteria.

In particular the remarks on crude oil of the hon. Member from Tanjore, struck me as somewhat crude, because in any case we are buying oil in one form or another and profits are going out. All that we say is that we shall allow these companies to refine the crude oil here. The advantages are not so much in limiting or doing anything to the profits that are sent out, but in giving opportunity to our own people first of employment and then of learning various trades. There are various important by-products of the refineries and in the manufacture of these and the utilisation of these our own people are bound to get experience.

That leads me to the other issue—a very important issue—which Dr. Syama Prasad Mookerjee raised. It is quite true that it is a point which we should always bear in mind. In the agreement there is a clause and I think again there is a reference to it in the Press Communique. I think one of the hon. Members, Shri Basu, said he could not find any reference to the conditions that we have laid down in regard to training. I would request him to have a look at the Press Communique again. I would not take the time of the House by reading it, but I have again verified it. I have got the copies here and I find there is a condition that these companies shall give opportunities of employment and training at all levels. This general issue which the hon. Member raised has been reported to me and it would be possible for us to take other steps to correct the situation that has arisen. I have no doubt that persuasion and admonition, if necessary, will have a considerable part to play in that kind of thing. I should be very much surprised if foreign companies disregard modern trends and carry on with what they are alleged to be doing now in spite of our advice, admonition and, if necessary, protest. So I think that situation will be taken care of.

So these preliminary remarks, I hope, reduce the problem to its proper perspective. Then we must consider whether on the merits what is proposed is desirable or necessary, or not.

That leads to the question of control and the part which has been assigned to Indian capital. That information, again, is contained in the Press Communique—25 per cent. in one case, and two crores out of twenty, which can be raised to three, in another case. The total capital involved is very large and when you take 25 per cent. of a large sum it does represent a considerable capital contribution. And in the circumstances in which we are somewhat short of capital in the country we thought, apart from anything else, there was nothing to be gained, from a practical point of view, in insisting on the 49-51 basis which, I think, is by and large our guiding rule. I shall be very much surprised if even that 25 per cent. is forthcoming readily, or the two or three crores in the other case. But I have no doubt that if we find at some time, contrary to my expectations, that we have a great deal of surplus capital, well, it may be that it would be possible for us to take up the matter with these companies at some other time. We can only try and persuade them to open out the field for Indian capital after the companies are established. So, the control must remain with them.

Now, oil is a very specialised business. It is not like any other business. And I was, frankly, unable to follow the observations that, again, fell from a couple of speakers there that there was going to be exploitation. The subject slips me I suppose because it is oil! But, really, I cannot see what exploitation there can be in importing crude oil into the country and refining it and selling it in its various forms and by-products. Further, these agreements do not exclude the use of crude oil. There are provisions in the agreement that to the extent available our own oil will be used. There again I could not understand the rhetoric of the hon. Member opposite in regard to the unwisdom of surveying the basin in West Bengal or utilising it. I think the suggestion that he made was: let us call Indian capital and let us utilize it. Well, I think that if that is correct, that remark can only come out of a lack of familiarity, again, with the various aspects of this very specialised business, namely, oil. In the whole world there is a very limited number of experts who can deal with the exploitation and utilisation of oil and its various products. I should like to make a pointed reference here. From recent developments one can see the evidence of what could happen if one were to spurn the possibility, shall we say, of employing specialists in the field. Therefore, in this business one has to take the chance of employing the services of those who understand the business. And I have no doubt that it will be on those lines that we shall try to exploit any oil resources that we may discover as a result of any surveys that may be taking place, and I can assure the House that there could be no room for anxiety on this score.

The actual Bill is very simple. I think I have dealt with the general points raised, except that there was some reference to some agreement in regard to benzol or something. Well, that has nothing really to do with the Bill. But I have looked through that agreement and as far as I can consider it is not so disadvantageous to us as the hon. Member opposite seemed to, think.

Now, I come to this question of *ultra vires*. I have again, taken counsel with my hon. colleague here and he thought that this Bill is *intra vires* and that public interest would be a sufficient differentiating criterion. But there is another difficulty in this and that is—although this is not the stage for amendments—we have discovered, somewhat too late, that one of these companies is held, not by one company, but by two companies. And it is not, as it is in the terms which we have given in our original draft or in the Bill as it is before the House, a subsidiary company, because the share of neither comes to as much as fifty per cent. Therefore, I am afraid that I shall have to move. if the House permits me, a small amendment in that respect. And at that stage I shall be happy to consider any amendment that the hon. Member may wish to put forward in order to avoid any possible misapprehension or any possible recourse to courts. So. with these remarks I would ask the House to accept my motion.

I have made a note, I may say, of the various observations. which have been on the whole very helpful, and we shall certainly bear them in mind, particularly the point about location (I am sorry to say) and that point is very much in our mind that the location should be diversified.

Shri Nambiar: May I ask for an information? Are these companies exempted from the operation of the labour legislations now in vogue in India?

Shri C. D. Deshmukh: I do not think so. They are not exempt. There is no condition in the agreement to exempt them from labour legislation.

Mr. Deputy-Speaker: The question is:

> "That the Bill further to amend the Indian Companies Act, 1913, be taken into consideration."

The motion was adopted.

Clause 2.-(*Amendment of section 91B*)

Mr. Deputy-Speaker: So far as the amendments are concerned there is one standing in the names of Mr. Venkataraman and Dr. Deshmukh.

Shri Venkataraman (Tanjore): I am not moving it.

Dr. P. S. Deshmukh: I am not moving it.

Mr. Deputy-Speaker: I have received notice of an amendment by the hon. the Finance Minister. In view of what he has said that the one is not a subsidiary company of the other but that both the companies together have 51 per cent. or so, it is a small technical amendment. He may move it.

Shri C. D. Deshmukh: I beg to move:

In page 1, for lines 7 to 18, substitute:

> "(4) Notwithstanding anything contained in this section, if in the case of any public Company the Central Government is of opinion that it would not be in the public interest to apply all or any of the prohibitions contained in sub-section (1), the Central Government may direct, by notification in the official Gazette, that this section shall not apply to any such public Company or shall apply thereto, subject to such exceptions, modifications or conditions as may be specified in the notification."

Mr. Deputy-Speaker: But is it not too general? Here it may be that there may not be two companies which hold 51 per cent. but all the same one company will hold some other, in which case it will not be a subsidiary company.

Shri C. D. Deshmukh: We are getting out of that subsidiary company. We are putting it in general terms although the intention is to apply it in such special cases where public interest is served. And this is more in line with what the expert Committee has recommended. They have made no reference to subsidiary companies. It was our object first to restrict it as far as possible, but we find that we cannot bring that in unless we bring

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some general clause like controlling interests. And it is not very easy to define what controlling interest is or to ensure that the controlling interest is conjointly exercised by two companies, and we got into drafting difficulties.

Mr. Deputy-Speaker: The question is:

In page 1, for lines 7 to 18, substitute:

> "(4) Notwithstanding anything contained......"

Shri N. C. Chatterjee: May I move a short amendment which will avoid the difficulty. I beg to move:

In the amendment moved by Shri C. D. Deshmukh, after "that" where it occurs for the first time, insert:

> "having regard to the desirability of establishing or promoting any new trade, industry or business".

If this is accepted the Finance Minister's present amendment will run as follows:

> "(4) Notwithstanding anything contained in this section, if in the case of any public Company the Central Government is of opinion that having regard to the desirability of establishing or promoting any new trade, industry or business it would not be in the public interest to apply all or any of the prohibitions contained in sub-section (1), the Central Government may direct, by notification in the official Gazettee, that this section shall not apply to any such public Company or shall apply thereto, subject to such exceptions, modifications or conditions as may be specified in the notification."

Shri C. D. Deshmukh: I shall accept that amendment.

Shri S. S. More (Sholapur): Will these notifications issued by Government be placed before the House?

Mr. Deputy-Speaker: Notifications will be published in the official Gazette.

Shri C. D. Deshmukh: I have taken note of the observation that the House would like to have placed on the Table of the House any decisions that we shall take and we shall do so.

Mr. Deputy-Speaker: I shall put the amendment to the amendment of the hon. Finance Minister before the House. Does the hon. Member want to define or restrict the words 'public interest'? Or does he want to bring them into conformity with the rulings of the Courts?

Shri N. C. Chatterjee: Yes, Sir.

Mr. Deputy-Speaker: Then I shall put it to the House.

Shri C. D. Deshmukh: 'Any' would be better, Sir.

Mr. Deputy-Speaker: 'Any' and 'new' are at the opposite poles.

Shri C. D. Deshmukh: 'Any' would be better. If we put in the word 'new' we might get into difficulties. 'Any' I think, would be better, if the hon. Member would accept that.

Shri N. C. Chatterjee: All right, Sir; you can have that.

Mr Deputy-Speaker: I am not clear about this: "The Central Government may direct by notification in the official Gazette that this section shall not apply etc." Why is there a modification from the original Bill?

Shri C. D. Deshmukh: By its nature, it can only apply to contracts made. That is all that is referred to in that section. It has a limited scope.

Mr. Deputy-Speaker: All right, I will put the hon. Minister's amendment as amended by Shri N. C. Chatterjee's amendment. The question is:

In page 1, for lines 7 to 18, substitute:

> "(4) Notwithstanding anything contained in this section, if in the case of any public Company the Central Government is of opinion that having regard to the desirability of establishing or promoting any trade, industry or business it would not be in the public interest to apply all or any of the prohibitions contained in sub-section (1), the Central Government may direct, by notification in the official Gazette, that this section shall not apply to any such public Company or shall apply thereto, subject to such exceptions, modifications or conditions as may be specified in the notification."

The motion was adopted.

Mr. Deputy-Speaker: The question is:

> "That clause 2, as amended, stand part of the Bill."

The motion was adopted.

Clause 2, as amended. was added to the Bill.

Clause 1, the Title and the Enacting Formula were added to the Bill.

Shri C. D. Deshmukh: I beg to move:

"That the Bill, as amended, be passed."

Mr. Deputy-Speaker: The question...

Shri H. N. Mukerjee (Calcutta North-East) *rose*—

Mr. Deputy-Speaker: He ought not to refer to any of the arguments mentioned earlier.

Shri H. N. Mukerjee: I intend to take as little time as possible. I am sorry I have to oppose this motion inspite of the persuasive manner of the hon. Finance Minister. (*An Hon. Member*: Oily manner). I would not use that adjective at least in regard to the hon. Finance Minister but I do find that we are letting ourselves in for a good deal of trouble if we accept, as I am afraid, we are going to accept this Bill. This is not a very thin end of the wedge but it has already begun to be driven fair and square and into the economic interests of our country. That is the main reason why I oppose it. I find that the hon. Finance Minister representing, of course, the views of his Government has a habit of trying to explain away everything by reference to the position as it stands today and the limitations of the future which he envisages. He always says: "Granted capitalism, we can only proceed in a certain fashion and that is why I ask you to do this or that." When he says 'capitalism', I am reminded of Fieldings. "Tom Jones" and a character in it, the Rev. Mr. Thwackum. He said: "When I say religion, I mean the Christian religion and not only the Christian religion, but the Protestant religion and not only the Protestant religion but the Church of England." When the hon. Mr. Deshmukh talks of capitalism he talks about the kind of capitalism which we see in this country today and unfortunately, he does not see that the whole nation is in a process of change and that change has got to be incorporated in the action of Government which we are going to propose for our country's future. We are letting ourselves in for a great deal of infiltration of foreign capital and he does not see the danger, of prospecting for oil in a very peculiar fashion which only a very few specialists know. He says that it was all right that some American planes are hovering about the place trying to locate oil in certain places. We cannot forget that the *American Reporter*, which as we know is a paper which boosts the activities of the Americans in this country says very proudly that the Standard Vacuum Oil Company is now financing the aerial survey of 73,000 square miles of the Bengal Basin, an area which is very near the India-China Frontier, an area which is of very great strategical and economic importance, an area which might in the near future, if war breaks out, prove to be of very considerable and crucial significance to the history not only of this country but of the world. We are permitting American planes without let or hindrance to fly all over the place and in the name of prospecting for oil which might be secreted in rocky structures, in the name of using the magneto meters and heaven knows what, they are going about the place and heaven knows what materials they are collecting and for what purposes. This is the kind of thing we are letting ourselves in for. As regards the infiltration of foreign capital, it is no good trying to forget that we have already changed the national policy which had been propounded by our national leadership until only the other day. There is no good forgetting that today the Americans boast that India's policy has changed in such a way that it is possible for foreign capital to come into this country on more or less their own terms. That is why we find a capitalistic paper like the *Commerce* saying in its issue of December 8th, thus:

> "It is a striking proof of the claim advanced by no less an authority than the U. S. Ambassador to India, Mr. Chester Bowles himself, that India's foreign policy does not constitute a bar to import of foreign capital into this country.
>
> "It is a sign of the confidence of foreign investors in the present administration of India, which is quite justified considering the effective way it has endeavoured to maintain law and order in the country and preserve democratic ways of life and Government against heavy odds."

I find my hon. friend Dr. Katju already arriving here to propound his philosophy regarding Preventive Detention. The way in which law and order has been maintained and is promised to be developed...

The Minister of Home Affairs and States (Dr. Katju): Why can't you wait and see...

Shri H. N. Mukerjee: ....in this country is a sure guarantee that foreign capital is going to have a free run for as long as they like. *Capital*, the organ of the British monopolists, says, in its issue of November 22nd:

[Shri H. N. Mukerjee]

> "The whole transaction (that is, the oil transaction) shows that New Delhi realises that whatever 'moral support' India gives to Middle Eastern nationalism, she will have to make firm arrangements to ensure that her own national interests are not prejudiced by the very people she sympathises with."

It goes on to say:

> "And profitable arrangements can be made with parties that are denounced by her friends as vile exploiters, that only indicates that political realism is more mature in Delhi than in certain other capitals."

This is what *Capital* says. Political realism is more wise and sober in New Delhi than in Teheran or Cairo. That is what this paper says, and that is really true. Are we going the way of Iran before she made up her mind about throwing off foreign exploitation? Are we going the way of Egypt when Egypt and Sudan were the playthings of foreign exploitation? Are we not going to take a leaf out of the books of Iran and Egypt? If Iran and Egypt, with their limited resources, can take certain steps, why are we behaving in this fashion? Why are we cowed by these predatory foreign capitalists, about whose ways we know so much? Much has already been said here is to how foreign capitalists are behaving in this country. For instance, the Assam Oil Company is behaving in a most scandalous fashion. Dr. Mookerjee has already told you something about that. We are already getting representations from people who cannot for fear even sign their names on pieces of paper about the doings of these capitalists in Digboi. I may tell the Finance Minister, not only the Finance Minister, but also the Home Minister that the writ of New Delhi does not run in Digboi; it is the writ of the Assam Oil Company that rules, just as the Anglo-Iranian Oil company used to do in the whole of South Persia until the other day. That is the way these foreign capitalists are doing with their Indian assistants. You may go to Calcutta any day and see things for yourself. You may ask any one from whose family bright young men, with university education, and training in foreign countries, on coming back, got something like covenanted service in the European firms. They were soon shown their places; they were told to submit or get out; they were given terms which no self-respecting patriotic person can possibly accept. These foreign interests are behaving in this fashion and are entrenching themselves even more strongly on our soil. We are meekly and mildly swallowing it all. and trying to justify it—that is the worst part of it—that this is the only way in which our economy can be developed. I know capitalism cannot be changed overnight just like that. I know revolutions are not carried in suit cases to be transferred from one country to another, and I am sure the Finance Minister would not question that. But, he does not see the writing on the wall which is not so undecipherable. Even so, he should take some lessons from the happenings of history and do something about putting checks upon the operations of foreign capital, which has so far behaved in a blackguardly fashion and which has kept our country in the position of an agrarian hinterland to their imperialism, and which is proposing even now to do the same thing. The Colombo Plan into which our Five Year Plan is incorporated, proposes an agrarian development scheme. That is the primary objective of whatever technical assistance is coming to us from the U.S.A. and the Commonwealth countries. That is the perspective, that is the context in which I will beseech the Finance Minister to consider this question. I know that he would say that his hands are tied. He does not see beyond his nose. At least his philosophy is not to see beyond his nose. That is why I will say, we do not want to upset the apple cart of our country's administrative structure, because we know that is not the right way of doing things. We know that revolution is wanted; at the same time, we know that revolution cannot just be ordered from somewhere. I would ask the hon. Finance Minister to appreciate and to remember what Bernard Shaw once said: "I am impatient for revolution; I shall be jolly glad if the revolution happens tomorrow. But, being an average coward, I want you to make the revolution in as gentlemanly a manner as possible". We are all more or less average cowards. If we all agree that we are going to make this revolution come in as gentlemanly a manner as possible, surely, we can make a wonder of this country, because, on the crest of the wave of a great patriotic movement, we have wrested certain powers from the most unwilling hands, and if we really and truly objectivise these powers, if we concretise these powers, if we do not tie ourselves to the apron strings of imperialism, which today is threatening to engulf the whole world in war, then, and then alone can we get that real mobilisation, and that maximum patriotic influence behind the economic reconstruction plan, which will lead to the kind of Welfare State, which is so many times advertised in our country. We do not seem to be doing that; we pursue policies which run counter to the future that we on this side of the House wish to envisage. I do hope even at this stage,—I do not hope, I only want to place before the Finance Minister a humble suggestion—that perhaps he will consider that the world is not in such a static position as he imagines it to be. If the world is in a process of dynamic change, he must also respond and he need not remain as phlegmatic in his reactions to those influences as he possibly has decided to do.

Mr. Deputy-Speaker: Yes, the hon. Minister.

Shri Meghnad Saha (Calcutta North-West): Sir, ...

Mr. Deputy-Speaker: Is it necessary to have so many speeches at the Third Reading Stage? Let us be short. The hon. Minister has to go to the other House.

Shri S. S. More: Can we help it, Sir? We have a right to have our say.

Mr. Deputy-Speaker: I have asked the hon. Minister to resume his seat and he has sat down. Now, what is the objection? Hon. Members get encouragement to speak from other hon. Members.

Shri Meghnad Saha: I do not want to take much time of the House. I thought I could add one or two arguments to what has already been said. We have attained political freedom not attained economic freedom as my hon. friend Dr. Mookerjee has said. Without economic freedom, this political freedom is a mere mirage. Every act which we are doing, every Bill that we are passing here is taking us away from the goal of economic freedom. By giving chances to these capitalists under the name holding companies who from America boss over us through a number of subsidiary companies in India, we are putting ourselves more and more into the clutches of big American capital. I wish I had time to tell the hon. Finance Minister how this oil imperialism had worked in Mexico, how the oil imperialism had worked in Iran and Iraq. During the war in 1944 or 45, I was one of the scientists who were sent to America and Europe on a good-will Mission. We found that the technique of oil exploration for oil had gone beyond all measures, and after returning from America, I and my scientific friends had submitted a report to the Government of India that India should organise a Central Geo-physical Laboratory where we should train our young men in the methods of this oil exploration, oil refinery and so forth. Now, so far this report has remained unnoticed in the archives of the Government of India, and now we are asking all these different companies—the Standard Vacuum Oil. Co., The Burmah-Shell and all their subsidiaries—to undertake this great philanthopic work for us. As a scientist, I may tell you that whatever these companies may find, they are not revealed to the Indian public, and they are utilising them for their own use, and when a company is started, all the great experts will be from America, and we may be told that Indians cannot be trained to this kind of knowledge. As a scientist, I completely differ from this view. We have sent our students to America. Many of them have been trained in methods of geo-physical exploration, and if the Government take my suggestion to have a Central Geophysical Institute in this country provided with up-to-date apparatus and machinery, then if we send our young men on these explorations, and they work in co-operation with geologists, it will not be difficult for us to locate all these pockets of oil in the different parts of the country, provided they exist.

In 1946 in a lecture I said if there can be oil in Saudi Arabia at a depth of 5,000 to 6,000 feet, below sand deposits, there should not be any reason why in the Bengal plain there should not be oil. And if we had started our geo-physical exploration by our own men, by now we would not be dependent on the foreign companies for the location of oil. I would therefore request this House to listen to my plea that education in this Country must be put on a new level, and that we should spend more on education, more for the training of our own men, so that all this exploration work we can do ourselves, we can train our specialists, and free ourselves from dependence on foreigners.

It has been said that it is only the Americans who can perform the great work of exploring for oil. I would humbly beseech our Finance Minister to read the reports on oil finding in Germany during the war. Germany during the war had evolved this technique of exploring for oil, and they had discovered many oil pockets in the plains of Hanover, in the Holland border and so on, and they were producing about two million tons of oil every year, and I know that the German technicians are far more cheaper than the American technicians. The Germans know their business quite as well, and I think had it been possible

[Shri Meghnad Saha]

to secure the services of a large number of Germans for this work, ultimately the exploration would have been far more cheaper. The course which we are taking today will lead us to the same kind of oil imperialism which the Americans had imposed on Mexico, and it was for this reason why, for about half a century, Mexico was merely a colony of America, and the Mexicans there could not expect a better job than that of a peon. Every expert used to be brought from America, even clerks and others, and this is what is happening in most of the European concerns in this country today. Before the war, before independence, if you take all these European companies, you would find that the number of European employees were very much smaller and they were being paid much less than they are being paid today. Now they are not only bringing their experts from their own countries,—but clerks, office hands, mechanics and so on. They are being paid four or five times as much as the Indians who do the same kind of work. If you take for example, a research chemist, the Indian research chemist may be paid seven to eight hundred rupees a month, but a European research chemist who is in charge of the laboratory—he may be an ordinary B.Sc., and he may have under him Indians who are Ph.Ds. of British Universities—are paid Rs. 4,000 per month. So of a good amount of profit which these European companies are making in this country, a substantial part is being taken away in the form of salaries. It is flight of capital on a large scale which is taking place through this process. I would ask the Finance Minister to appoint an Enquiry Committee to find out the scales of salaries which are being paid to foreign employees of European concerns in this country, so that this unmitigated flight of capital may not take place, and we may not be reduced in the times to come, when oil derricks will begin to emerge over the plains of 24-Parganas or Sundarbans, to the level of mere clerks, peons, and orderlies and there will be nobody to handle these oil derricks intelligently. I think our economic policy requires a complete re-orientation, and if we put ourselves entirely at the disposal of the Americans or any foreigners, in the way we are doing we shall not be solving the problem of our economic freedom. Without economic freedom, as I told you, our political freedom is not worth even a farthing.

Shri C. D. Deshmukh: As I pointed out, we have the three agreements and the companies have started private limited companies here in order to implement or start implementing their part of the bargain. Therefore, the undoubtedly weighty observations which have fallen from the hon. Member who has just finished speaking could only be regarded as entering a caveat in regard to any future negotiations and so on, and I have no doubt that the Ministers concerned will take them into consideration.

So far as this Bill is concerned, as I have said, we are concerned with a very limited issue. He has more or less supported the observations made by the hon. Dr. S. P. Mookerjee in regard to training. I better read out now the provision in the agreement in regard to training. This is with one of the companies:

> "It will ensure that the Indian company will arrange for the training of an adequate number of Indian personnel in refining operations, for employment in the refineries, and subject to the right of the Management to select personnel, will employ Indians in all capacities whenever qaulified Indian personnel shall be available".

I do not think that this could be constructed as facilitating their employing Indians only in a clerical capacity, and we shall take care to see that Indians—qualified Indians—are employed at all levels including the technical level.

That leads me on to the other point, and that is the contrast in the situation here and in other countries of the Middle East. So far we have not yet discovered any crude oil. There is some, partly in Assam, which is a very small percentage, and therefore, the case is not comparable with the Middle East.

Shri S. S. More: Did Government make any efforts to find out crude oil?

Shri C. D. Deshmukh: Efforts are being made. The dispute was about the method by which we discover them. It is not denied that efforts were made. What we were asked to do was to make efforts in some other way. The fact is established that efforts are being made, and as I said in my previous speech, the companies will be bound to use our crude oil when we find it. Therefore, I see nothing wrong in our learning the art of refining against the time when we should find the crude oil. The case, as I said, in some of the Middle East countries is different. There it is known that they have the oil, and the question was how it was to be refined, whether it was to be refined by a foreign company or whether it was to be refined by a nationalist and so on. It seems to me that by these agreements we have a chance of learning the art in advance of finding deposits of crude oil. For the moment I think the oil that would be refined will suffice for our present purposes, but experience has shown that our oil consumption is going up by about five or ten per cent. every year, so that as new sources become available, then we shall be able to find out new means of exploiting them. That applies even to synthetic oil from coal. At the moment I am advised that the oil produced by synthesising coal is not as economic as oil that you get by refining crude oil. But it may be that that situation may not remain permanent. There may be inventions which would reduce the cost of producing synthetic oil, and there is nothing to stop us from establishing plants in order to exploit that particular source.

Dr. S. P. Mookerjee: The hon. Minister referred to synthetic oil. A full scheme and a project report were prepared for manufacture of synthetic oil from low-grade coal which was available in abundance in India. Has anything been done about it, or has the idea been dropped for the time being?

Shri C. D. Deshmukh: It came up several times before the Planning Commission, and it was finally discovered that it would cost us more to get the oil by synthesising coal than by other means. At one time—I do not know whether it was before the hon. Member left us—there was a question as to whether we should have the refineries or whether we should have a plant for synthesising oil. Then there was the other aspect also, that whereas it is easier to store crude oil, it is not so easy to store coal.

Dr. S. P. Mookerjee: You can have both.

Shri C. D. Deshmukh: What I mean is that there is this advantage in favour of crude oil. Anyway, that other scheme has not been set aside for ever. If the economics of it changed for the better, I have no doubt that we should be able to find out some room for it not in this plan, but perhaps in the next plan.

I am afraid I cannot make very useful observations in regard to the establishment of the Central Geo-physical Laboratory, because I have been taken by surprise. I am not prepared to answer the hon. Member. I can imagine, knowing his expertness, that there must be a great deal of advantage in establishing such a geo-physical laboratory to train our own people so that we should be able to stand progressively on our own legs. All I can undertake to do is, to draw the attention of the Ministry concerned to these observations.

Lastly neither the Finance Minister nor the Government is as static as the hon. Member opposite imagines. Speaking for myself, I cannot see why we should be prepared to face a certain amount of gentlemanly revolution. It all depends on how you define revolution. We are well aware of the fact that we are living in changing times. When the Planning Commission makes a reference to mixed economy, it does not mean a mixed economy in which the proportions of the mixture are fixed. The proportions may keep changing also; in our country which is quite notoriously under-industrialised, there is such a vast field in which the State can take an increasing amount of interest, that I cannot see any conflict of interests between the private and public sectors. It is not as if we are wedded to having recourse to capitalism for every further industrial venture.

With these observations, I commend my motion to the House.

Mr. Deputy-Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

INDIAN PORTS (AMENDMENT) BILL

The Minister of Law and Minority Affairs (Shri Biswas): I beg to move:

"That the Bill further to amend the Indian Ports Act, 1908, be taken into consideration."

This is a very simple measure which seeks to amend two Sections of the Indian Ports Act 1908, section 14 and section 31.

12 Noon

The first one relates to the question of recovery of actual expenses incurred by the port authorities in salvaging property from a vessel which may be sunk or wrecked or stranded in the port. The present provision is that in such a case, the Port Authorities are empowered to sell the salvaged articles by public auction, and to recover the costs out of the sale proceeds. But there is no provision as to what will happen if the sale proceeds are not sufficient to cover the costs incurred. Power is now being taken in that behalf. The amendment now seeks to provide that in such a case, the outstanding difference will be recoverable from the owner of the vessel, and it is very necessary to do so. No such

[Shri Biswas]

case has arisen so far, in which the costs of recovery have exceeded the sale proceeds; but it is just likely that such cases may occur in the future. Therefore an amendment is now being made to provide that the liability for the deficiency shall fall on the owner of the vessel. When I said 'recovery charges', I should have added also a 20 per cent. surcharge. The amount to be recovered is not merely the actual expenses incurred, but is something exceeding that by 20 per cent. of the expenses.

The other amendment to section 14 is this. It is provided in the section as it stands now, that if the property is of a perishable nature, it shall be sold forthwith, but if it is not of a perishable nature then it must not be sold not less than six months after. It is now proposed to replace six months by one month. If one month is not sufficient, the time limit can be extended, as there is nothing in the Act to prevent such extension. One or two amendments have been tabled suggesting two months, or three months etc. I am prepared to accept as a compromise two months. It is always understood that if two months are not sufficient, then the time may well be extended by the Port Authorities.

Section 31 refers to the condition that any vessel coming within the port area, not below a certain tonnage or exceeding a certain tonnage, will require to have a pilot to be provided by the port authorities on board, so that the pilot may be able to safely guide the vessel along the channel. Take for instance, the river Hooghly; we know what dangerous shoals are there. Unless there is a pilot, it is unsafe to allow any navigation. The master of the vessel may not be familiar with all the difficulties. Therefore it has been provided that a pilot will be provided on board the vessel. The existing provision is that if the tonnage is 200 or more, a vessel would be required to have a pilot. If the tonnage is less than 200 but more than 100, then pilot may be dispensed with only with the authority of the port authorities. Now, the same provision is going to be made applicable to mechanically propelled vessels, steam vessels and so on. It is now suggested by means of the amendment that that provision will be applicable to mechanically propelled vessels of less than 100 tons also.

That is all that this Bill seeks to provide. I hope the Bill will be accepted without any further discussion. I shall accept the amendment to Clause 2 (a), seeking to substitute 'two months' in place of the words 'six months' in sub-section (2) of section 14 of the Act.

Mr. Deputy-Speaker: Motion moved:

> "That the Bill further to amend the Indian Ports Act, 1908, be taken into consideration."

Shri Raghabachari (Penukonda): I rise to speak not as a person who is acquainted with the international law of ports and salvage operations and the liability of the owner, but more to find information in respect of one or two points. I am sure the Minister in charge will be able to enlighten us and clear the little doubt that I have. One such is this. In so far as the intention of this Bill is concerned, namely when an act of God or some accident has overtaken a vessel and the person loses the vessel and its contents......

Mr. Deputy-Speaker: Order, order. The loudspeakers are such that they catch even the slightest whisper.

Shri B. Das (Jajpur-Keonjhar): They are not loudspeakers, Sir. They are mikes. In the other House, the mikes are working much better.

Shri Raghabachari: I was mentioning the situation under which the liability under this Bill applies namely when an accident takes place and a vessel crashes, and then the owner loses the vessel and probably the contents of it also, except what can be salvaged in certain cases. So the point is that when an act of God or an accident really brings about this enormous loss to the owner, and because it happens to be your port you must clean it up for further use, you spend some money and then you want not only to pay yourself out of that which remains there, but you also want to hold him liable for the extra expenditure in case you cannot realise what you have spent. That means when he is visited by a misfortune you continue the misfortune to his home and then want him to be further subjected to the effects of this misfortune. Of course when we deal with the law we are not considering whether a man who has suffered must further suffer. But the question is, is it the international custom or is it the international law that the owner in spite of this accident or this misfortune should hold himself responsible to make good the additional expenditure you might have incurred in cleaning up the debris. In fact, in cleaning up the debris and in making the port free for further use, the bill might be enormous and over which he has no control. I am not likely to be an owner of a vessel or a ship, but still the point appears to me to be important: Is it permissible or is it the usual international maritime law that such a thing should be done? That is one difficulty which I felt. I wish to be enlightened on that matter.

Then you have provided some time, six months, within which you can recover the thing over-spent. There are certain objections that this time or period is long. I personally feel, possibly when you have to recover the thing, not necessarily from a national and, it may be from a foreigner and so six months' period may not be long. That is a point on which I felt a little diffident and that is the only thing I wish to submit.

Shri M. S. Gurupadaswamy (Mysore): The amendment that has been proposed by the hon. Minister is, I feel, very harsh, harsh to the owner of a vessel which is wrecked or stranded or sunk near a port. My friend, Mr. Raghabachari drew your attention to a fact: suppose the owner of a vessel loses the vessel and if that owner is asked to pay the balance of the excess expenditure spent by the port authorities or the Conservator, then it would be very unreasonable, and I concur with this view. It will be very harsh on the owner of a vessel after having lost his vessel, if he is asked to pay the balance of expenditure, and there is also the possibility that the owner.. ...

Mr. Deputy-Speaker: Then who is to pay? The general tax-payer? Somebody has to pay.

Shri M. S. Gurupadaswamy: I do not want to express any opinion upon that. The expenditure involved may be more due to lack of care and insufficient control exercised by the Conservator or any officer there and for that the owner of a vessel cannot be expected to suffer. So it is a very arbitrary measure and I feel that it is not advisable to introduce this amendment. Suppose there are two parties owning one vessel and that vessel is wrecked or sunk near the port, who is the authority to decide the extent of cost to be borne between these parties. And these two parties may be innocent. They may not be responsible for the sinking of the ship or the wreckage of the ship. It may be due to some inadvertence or some inconvenience felt near the port. Naturally, as we all know, the owner does not want to see that his ship is sunk, and it may be entirely due to some other causes. For that if the owner of the ship is made to pay, it is rather very harsh and unjustifiable.

Another point is that the hon. the Minister has brought out an amendment to the period required for auction. He says 'one month' should be substituted for 'six months'. In this connection I have suggested an amendment.

Mr. Deputy-Speaker: The hon. Minister has said that he is prepared to accept 'two months'.

Shri M. S. Gurupadaswamy: Then it is all right. I only submit that the period is too short and more time is to be given to the parties concerned, to take some steps...

Mr. Deputy-Speaker: The more the time, the greater the cost.

Shri M. S. Gurupadaswamy: Moreover there is a provision here that there may be a surcharge, so to say, of nearly 20 per cent. demanded from the owner of the vessel. I do not know the reason why this should be added... (*Interruption*).

Mr. Deputy-Speaker: He has proposed that in the matter of recovery of loss this surcharge need not be added. It may be so with respect to deduction from the sale proceeds.

Shri M. S. Gurupadaswamy: In this connection, I may submit that after all, when the ship is insured—I think all ships are insured—why not the Insurance Company be made to pay this deficiency, if there is any. The owners of the ship should not be put into this trouble, and the Insurance Company may as well be asked to pay the difference or the balance.

My last submission is that there is some sort of doubt regarding the international law on this point. Suppose a foreign ship—a ship belonging to a foreign private individual or a foreign nation—comes to our port, and it is sunk or wrecked near the port, then I want to know whether the Indian Ports Act is applicable to the foreign owner. Are we not governed by international maritime laws in this matter in order to be able to demand the expenditure involved in salvaging the wreckage. I want a clarification from the hon. Minister on these points.

पंडित मुनीश्वर दत्त उपाध्याय (जिला प्रतापगढ़—पूर्व) : उपाध्यक्ष महोदय, जहां तक इस विधेयक का सम्बन्ध इस प्रश्न से है कि अगर कोई जहाज पोर्ट (port) में आ कर खराब हो जाय या डूब जाय और उस को दुरुस्त करने में या साफ करने में

[पंडित मुनीश्वर दत्त उपाध्याय]

जो ख़र्चा हो वह ख़र्च नीलाम करने से न पूरा हो सके तो जितनी कमी पड़े उस कमी की वसूलयाबी का कोई प्रबन्ध होना चाहिये, मैं समझता हूं कि यह अत्यन्त आवश्यक है कि ऐसा संशोधन लाया जाय। लेकिन यह एक बड़ी आपत्ति का समय होता है जबकि किसी का जहाज़ डूब जाय। इतना बड़ा नुक्सान हो जाय और उस नुक्सान को पूरा करने के लिये जहाज़ भी बिक जाय, नीलाम हो जाय और फिर भी पूरा ख़र्चा न वसूल हो और मालिक को अपने घर से देना पड़े तो इस में सन्देह नहीं कि और कोई उस का ज़िम्मेदार नहीं हो सकता। देना तो उस को ही है। जो जहाज़ का मालिक है उस ने उस जहाज़ से बहुत कुछ पैदा किया, उस को इस्तेमाल किया, अब उस को देना पड़ता है तो उस को देना ही चाहिये। अगर वह न दे तो ख़र्च तो होता ही है, वह ख़र्च किसी न किसी के ज़िम्मे तो लगेगा ही, ऐसी हालत में सिवा टैक्स-पेयर के और किस के ज़िम्मे वह लग सकता है। इस वास्ते उस की अदायगी की ज़िम्मेदारी टैक्स-पेयर (Tax payer) पर हो यह मुनासिब नहीं है। जहाज़ चलाने वाले बड़े बड़े मालदार लोग हुआ करते हैं और थोड़ा सा ख़र्च दे देना उन के लिये बहुत कठिन नहीं हो सकता है।

लेकिन इस सम्बन्ध में मुझे केवल एक बात कहनी है और वह यह है कि उन को जो समय अदायगी के लिये दिया जा रहा है वह बहुत कम है। ऐसी आपत्ति के समय में यह कहना कि एक महीने के अन्दर वह सारा रुपया दे दे, नहीं तो और तरीकों से, जिन को कोअर्सिव मेज़र्स कहा जा सकता है, वसूल किया जाय यह मुनासिब नहीं है। अभी माननीय मत्री जी ने फरमाया कि वह एक महीने के बजाय दो महीने कर सकते हैं। अब जो मैं पेश करना चाहता था उस को सुन कर माननीय मंत्री जी कहेंगे "अरे भाई, फ़र्क़ ही क्या रह जाता है दो महीने में और तीन महीने में"। सम्भव है वह यही जवाब दें लेकिन मैं निवेदन करूंगा कि उन्होंने जो दो महीने की तजवीज़ की है उस को तीन महीने कर देने से कुछ थोड़ा सा सहारा हो जाता है। केवल थोड़ा समय मिल जाता है नहीं तो इस में कोई उसूल या सिद्धान्त की बात नहीं है। मैं निवेदन करूंगा कि एक महीने में कोई विपत्ति नहीं आ जाती है इस लिये जो समय है उस को एक महीने की बजाय तीन महीने कर दिया जाय।

दूसरी बात जो मैं निवेदन करना चाहता था वह यह है कि अगर किसी शख़्स का जहाज़ ख़राब हो जाय, डूब जाय या ऐसी हालत में हो जाय और उस का कोई दावेदार न हो, और अगर दावेदार हो भी तो जो मुनासिब ख़र्च हो उस के देने के लिये तैयार न हो, समय के अन्दर, तो उस के लिये इस में यह संशोधन किया जा रहा है। अब तक यह होता था कि जो जायदाद जल्दी ख़राब होने वाली नहीं होती उस के लिये छः महीने का वक्त दिया जाता था कि उस के बाद वह नीलाम हो। उस की वजाय आप ने इस में एक महीना दिया है। इस सम्बन्ध में मेरा निवेदन यह है कि यह एक महीना का समय अपर्याप्त है। पहले तो इस के लिये छः महीने का वक्त रक्खा था और वह काफ़ी सोच समझ कर रखा था। जब कभी ऐसी कोई चीज़ हो जाती है तो थोड़ा समय लगता है और कई दावेदार खड़े हो सकते हैं, कभी कभी दावेदारों में भी झगड़ा पड़ जाता है। फिर आप ने मुनासिब ख़र्च, रीज़नेब्ल एक्स्पेन्सेज़ (reasonable expenses) की बात

कही है इस को तय करने में भी समय लग सकता है। लेकिन इस में पूरा समय जो दिया जा रहा है वह एक महीने का है, अगर उस के अन्दर मुनासिब खर्च नहीं दिया जाता है तो जायदाद नीलाम कर दी जायगी। पहली बात तो यह है कि मुनासिब खर्च तय करने में समय लगेगा, दावेदारों के बीच झगड़ा पड़ सकता है कि यह आदमी सही दावेदार नहीं है या वह आदमी सही दावेदार नहीं है। ऐसी स्थिति में जो यह छः महीने का समय रक्खा गया था, मुझे ऐसा जान पड़ता है बहुत मुनासिब समझ कर रक्खा गया था। लेकिन अगर आप इतना समय न दे कर तीन महीने का भी रख दें तो यह मुनासिब समय होगा।

मैं चाहूंगा कि यह दो संशोधन इस बिल में कर दिये जायें। और जो चीजें इस में हैं वह बहुत अच्छी चीजें हैं, इस वास्ते इस के लिये प्रबन्ध हो जाय कि जहां खर्च की कमी पड़े तो उस को मालिक से वसूल किया जाय। मैं समझता हूं कि ऐसे समय बहुत कम आयेंगे जब कि यह करना पड़े क्योंकि जहाज़ बहुत बड़ी चीज़ है और इतना सामान उस में से निकल सकता है कि नीलाम करने से खर्च की वसूलयाबी हो सके। मगर सम्भव है कि कोई ऐसा मौक़ा आ जाय महज़ इस के लिये यह प्रबन्ध किया जा रहा है। मैं फिर कहूंगा कि जहां तक समय का सम्बन्ध है वह तीन महीने कर दिया जाय तभी उन लोगों को सहूलियत मिल सकती है और हमारा उद्देश्य भी पूरा हो सकता है।

Dr. Krishnaswami (Kancheepuram): There is a point which is rather ambiguous in the Bill as it has been presented by the Law Minister. There is a section in this Bill to which I should like to invite the attention of the House. The new sub-section (4) proposed to be added says:

> "(4) Where the sale proceeds of the property are not sufficient to meet the expenses and further sum aforesaid, the owner of the vessel at the time the vessel was wrecked, stranded or sunk shall be liable to pay the deficiency to the conservator on demand, and if the deficiency be not paid within one month of such demand the conservator may recover the deficiency from such owner in the manner laid down in sub-section (2) of section 57 for recovery of expenses and damages or in any other manner according as the deficiency does not or does exceed one thousand rupees."

It is left to the unfettered judgment of the conservator to demand from the owner of the ship as to how much he should pay in excess of what has been incurred. Now this seems to be highly improper because the conservator is employed by the Port authority. His duty is to see to it that as far as possible the ports are not mulcated, are not impoverished as a result of the dredging operations. Whenever a ship is sunk it is an extremely difficult matter to salvage it and sometimes it has happened that men-of-war have been brought from Singapore and other places in order to salvage these ships. Whether it is due to the negligence of the owner or whether it is due to the negligence of the Port Trust authorities is not made clear here. But the most important point is that the conservator is constituted as the final judge of this matter and there is no procedure devised for having an investigation. One would have thought that at least there would be service of notice in writing and opportunity given to the owner to make clear his point of view before the sum is determined. Only after going into complicated questions of law, fault and neglect, the matter should be decided.

Mr. Deputy-Speaker: I think it is not in order for the hon. Member to proceed with these arguments. The port is a small place and all the wrecked ships are there. There is no place for new ships and I do not know in whose interest the hon. Members are speaking when they urge that the wrecked ships should continue to be there. Either the owner should remove the wreckage or the conservator should do so. If the wreckage is removed and the articles are salvaged by the conservator, the owner should remember that he himself would have had to incur similar expenditure had he attempted to do so. Now, it is the conservator who does it, and he does so because he has to make room for other vessels. If there is a profit, even then the owner can question the conservator and say that the articles have

[Mr. Deputy-Speaker]

not been sold at the highest price. If there is an agency in the Act for disputing the conservator's estimate, then that agency would look into the matter. If there is no agency for that, there cannot be any agency for this. I am afraid therefore that the hon. Member's arguments are out of order.

Shri Biswas: There is section 57(1) which expressly provides that if any dispute arises as to the amount to be paid in any case, then it shall be determined by a magistrate on an application made to him for the purpose by either of the disputant parties.

Mr. Deputy-Speaker: Let us not create complications in an amending Bill.

Dr. Krishnaswami: If there is an ambiguity, we are entitled to obtain clarification. Here, the question of salvaging the ships arises only when there has been negligence on the part of the owner. Supposing due to no fault of his but due to the fault of the port authorities the ship has been sunk, who should bear the expenses?

Mr. Deputy-Speaker: All these things must have been considered when the original Act was passed.

Dr. Krishnaswami: But surely the owner of a ship should not be called upon to pay immediately within a month of such demand, because that would be highly arbitrary. Opportunity should be given to him to clarify his stand. After all, if the ships are heavily insured, then it follows that the Insurance Companies would be called upon to pay, but that by itself is no ground for suggesting that the conservator should alone be the judge in these matters. There i s lacuna which ought to be filled and if the hon. Minister has got something to say on this matter it would considerably help the House to arrive at a reasonable decision.

Shri S. S. More (Sholapur): The provisions appear to be rather stringent. So, will not our shipping industry be seriously affected?

Shri Biswas: I am rather surprised at the speeches which have been made on this simple Bill. I never expected it would take more than ten minutes to get it passed. That only shows that hon. Members who have spoken have not taken the trouble to read the original Act, wherein all the provisions they want are contained.

A good deal has been said about the hardship that would be caused to the owner in paying the charges. One Member asked: why should not the Insurance Companies pay them? That is exactly my point. The owner will recover whatever he pays from the Insurance Company. If the vessel is insured, the charge will ultimately fall not on the owner but on the Insurance Company. The recovery of these charges should therefore be a matter between the owner and the Insurance Company. Section 14 provides that if any vessel is wrecked, stranded or sunk in any port so as to impede the navigation thereof, the conservator may cause the vessel to be raised, removed or destroyed in order to get the navigation free, and it shall indeed be the duty of the port authorities to clear the port of all such obstructions. Having provided for that, it goes on to say that if in the course of these operations any property is recovered, then if there is no claim laid to it within a definite period, it shall be put up for sale by public auction, and if out of the sale proceeds any excess over the expenses is left, that will be made over to the person claiming it, and if there be no claimant, then the money is to be held by the port authorities to the credit of the person who may establish a claim to it.

There is no provision as to what would happen if the sale proceeds are not sufficient to cover the whole of the expenses incurred, and there is therefore the need for this amendment. It may be asked why we want to introduce this provision when there has been no such case up to now. I may say that only two or three years ago there was a severe storm at Vishakapatnam and many ships were sunk. And we know that recently many vessels—second-hand ones—have been purchased from Disposals. Many owners may find it profitable to get these ships sunk or stranded, and then salvaged by the port authorities at much greater expense than what they would be liable for if they tried to salvage those vessels themselves. They would have to pay much more, and therefore they would much rather leave it to the port authorities. Is it suggested that in such cases the port authorities should be saddled with the charges?

Questions of international law have been raised, and I have been asked to state the legal position. I do not pretend to be an expert in international law in respect of shipping or any other matter, but I can say that this amendment is based on similar provisions found in the Shipping Acts of the United Kingdom, Australia etc.

In the U. K. Navigation Act, you find a section which says:

> "If the money arising from such sale shall not be sufficient to defray the charges and expenses aforesaid, the excess thereof beyond the proceeds of such sale shall be chargeable to the owner of such vessel and if not paid within twenty days after having been demanded shall be recovered in a summary way as hereinafter mentioned."

Here, we have said that if the money is not paid by the owner in the manner mentioned in sub-section (2) of section 57, then it may be recovered in another manner. I may read section 57(2). It says that whenever a person is liable to pay any sum not exceeding Rs. 1000, then that amount may be recovered as if it were a fine; but where the sum exceeds Rs. 1,000, then it may be recovered in any other manner, *i.e.* by having recourse to a civil suit or the Public Demands Recovery Act, if that Act can be made applicable. The date of actual payment will not be one month or two months. He would pay long, long after......

Dr. N. B. Khare (Gwalior): We are quite convinced. He can stop.

Shri Biswas: I wish my hon. friend speaks on behalf of the other sections in the House.

Shri K. K. Basu (Diamond Harbour): In the amendment it is proposed that no mechanically driven vessel of any description should be allowed to get into the harbour without a pilot. Then what is the necessity of putting "of less than 200 tons."

Shri Biswas: That provision is there in the original Act and we are only introducing a short amendment which is applicable to mechanically propelled vessels.

Shri Nambiar (Mayuram): I could not understand the implication of the last portion of the proposed sub-section (4) which reads: "for recovery of expenses and damages or in any other manner according as the deficiency does not or does exceed one thousand rupees."

Shri Biswas: If the hon. Member had heard my speech, he would have understood it. If it is less than Rs. 1,000 it would be recovered as fine; if it is more than Rs. 1,000 it would be recovered in some other manner.

Mr. Deputy-Speaker: The question is:

> "That the Bill further to amend the Indian Ports Act, 1908, be taken into consideration."

The motion was adopted.

Clause 2.—(*Amendment of section* 14)

Mr. Deputy-Speaker: The hon. Minister is prepared to accept Mr. Gurupadaswamy's amendment; he may move it.

Shri M. S. Gurupadaswamy: I beg to move:

In page 1, lines 6 and 7, for "one month" substitute "two months".

Mr. Deputy-Speaker: The question is:

In page 1, lines 6 and 7, for "one month" substitute "two months".

The motion was adopted.

Mr. Deputy-Speaker: The other amendments are out of order. The question is:

> "That clause 2, as amended, stand part of the Bill."

The motion was adopted.

Clause 2, as amended, was added to the Bill.

Clause 3 was added to the Bill.

Clause 1, the Title and the Enacting Formula were added to the Bill.

Shri Biswas: I beg to move:

> "That the Bill, as amended, be passed."

Mr. Deputy-Speaker: The question is:

> "That the Bill, as amended, be passed."

The motion was adopted.

PREVENTIVE DETENTION (SECOND AMENDMENT) BILL

The Minister of Home Affairs and States (Dr. Katju): I beg to move:

> "That the Bill further to amend the Preventive Detention Act, 1950, be taken into consideration."

The procedure that was adopted the other day when I sought leave to introduce the Bill and the very large number of amendments that have been tabled indicates that the Bill has aroused some attention. I was under the impression that it was a very short Bill....

Dr. S. P. Mookerjee (Calcutta South-East): Innocuous!

Dr. Katju: It was a very simple Bill and the principle of the Bill had been discussed in Parliament—I do not know how many times. It had been discussed when the Constitution was passed; it was discussed in later years. And, therefore, I should have thought that much time would not be necessary for me either in moving for consideration or for its disposal by the House. But I am one of those unfortunate ones whose expectations are seldom fulfilled and, therefore, I am now trying to give up having any expectations at all, particularly in this House.

Dr. N. B. Khare (Gwalior): A very wise decision!

Dr. Katju: I think it is desirable, because many of the Members may be new to this House, to indicate precisely on the Constitution where we stand. It may sound elementary, but I do think it is necessary.

In the Constitution we have an article which provides for preventive detention as an exception to the general Fundamental Rights. Then in the lists—I ask for particular attention to this—in the Union List you have item No. 9, that is to say, in regard to this matter it is only this House which can enact a measure relating to preventive detention. It runs: "Preventive detention for reasons connected (mark the words) with Defence, Foreign Affairs or the security of India"; I repeat the words "Defence, Foreign Affairs or the security of India."

Then you go to the Concurrent List and in the Concurrent List there is a separate item relating to preventive detention and that is item No. 3. The House is aware that the beauty of this Concurrent List is that in this field this House, namely Parliament, as well as the State Legislatures concerned can pass measures which they think suitable. Now item 3 in the Concurrent List reads: "Preventive detention for reasons connected with the security (not of the whole of India, because that is provided for in the Union List) of a State, the maintenance of public order or the mainteance of supplies and services essential to the community (in a particular State or throughout India)."

The House will see: security of a particular State the maintenance of public order or the maintenance of supplies and services essential to the community. I should like to inform the House at the very outset that we have consulted every State Government without exception. The State Governments are primarily responsible for maintenance—I will not use those words 'law and order', I would say for maintenance—of peace and tranquillity in this land. And every State Government has expressed its considered opinion that a measure like this is absolutely essential.

Dr. N. B. Khare: Birds of the same feather.

Dr. Katju: I would ask my hon. friend just to restrain himself. It is difficult at his age to do so, but I am trying to.

Dr. S. P. Mookerjee: I am glad the hon. Minister realizes it so far as his age is concerned.

Dr. Katju: Every State Government has expressed its opinion that a preventive detention measure is necessary. You have the unanimous opinion of all the States of India. I want to point out at the very beginning if we do not enact this then what would be the result. The result will be that we may not be able to touch the three subjects mentioned in the Union List, namely—I am repeating myself—Defence, Foreign Affairs and the Security of India, but there would be nothing to prevent any single State, or every State, in India from enacting their own Public Security Acts. The reason why on the former occasions as also now today this Bill is before you is because we want to secure uniformity. We want to secure a sort of harmonious legislation on this topic, so that the representatives of the people of India as a whole should consider this important matter and give proper guidance.

I have consulted, as I said, every State when we were drafting this Bill. So I would beg hon. Members to bear this in mind—this simultaneousness of legislative jurisdiction.

I ventured to say when my hon. friend Dr. Mookerjee opposed my motion for leave to introduce the Bill, that I shall endeavour to the utmost of my very limited capacity to satisfy the House, every section of the House. I repeat once again here that the emergency exists, that it is desirable that a Bill like this should be passed, and it is unfortunate that there is plenty of misconception about this measure.

Let me make it quite clear before we particular State the maintenance of not directed against any political party, is not directed at the suppression of any particular political opinion. As a matter of fact, so far as I know, probably in every State now there is no ban on any political party. And I say with pride that we in India presented a spectacle unknown throughout the world that when there was a ban and people were under detention—people who, we thought, were engaged in subversive activities—in order to enable them to take part in the general elections they were released either completely or they were released on parole and they were permitted to take part in these elections. They won or lost, that is a different matter. (*Interruption*). But everybody will agree that the Detention Act had not prevented them from taking part in these elections which as citizens they were entitled to.

Therefore, I wish to make it quite clear that this Bill is not—I am talking today, in 1952—going to be enacted for the suppression of any political opinion.

It is certainly directed against individuals, individuals who may be engaged in activities which are enumerated in the Constitution, activities which may be dangerous to the preservation of our Defence, to the conduct of our External Affairs or to the security of India. My hon. friends, most of them—they will pardon my saying so—belong rather to heterogeneous groups, Communists and to what people call 'reactionary' but I call them Rightists, ex-Rulers of States who have developed a new passion for civic liberties, and many people of different types (there are industrialists, minor and major), and I would ask them to listen to this. (*Interruption*). Please do not interrupt me. Listen to the arguments. This preventive detention measure is directed against persons, not parties, who may be interested in causing harm to our Defence, to the conduct of the External Affairs and to the security of India. And when you come to the Concurrent List, there the maintenance of public order is one thing. There again, it is the security of the State or the maintenance of supplies and services essential to the community.

There seems to be—I do not know why—and impression abroad that this Preventive Detention Act is directed against political parties, is mainly directed against Communists. (*An Hon. Member*: Used). Today the House will be surprised to hear the number of Communists in actual detention—I am leaving Hyderabad aside. (*Some Hon. Members*: Why?) Because it has a different story and if I were to embark upon it I may have to take some time. Leaving Hyderabad aside, the total number—I am speaking now on the figures given to me as on the 31st May—the total number of Communists is 114. Out of this, 41 gentlemen are on parole. Now, that reduces the number to 73. Out of this 73, sixty are in West Bengal, a province with which, I am intimately connected. (*Interruption*) Well they are gathered together as Communists, and they are a bit further than Communists, they are revolutionary parties. The Prime Minister says that there are no Communists. They may have been released now. On the 31st May they were there. If you deduct this number, it comes to 12 or 13. Take the figure. For the whole of India, minus Hyderabad with a population of some millions, and minus Bengal which means Calcutta, the number of Communists under detention is thirteen (one three).

Dr. S. P. Mookerjee: Unlucky number!

Dr. Katju: How that argument can be justified. (*Interruption*). I shall deal with everything. Let me go on. The more you provoke me, the more you will get it. (*An Hon. Member*: You go on).

Dr. S. P. Mookerjee: *Vice versa*.

Dr. Katju: How can it be justified...

Mr. Deputy-Speaker: Let there be no interruption.

Dr. Katju: This Act is intended for the suppression of communism. I am talking of communism. I am not talking of Communists. I shall deal with them later. I know these gentlemen very well. They are my very great and dear friends. So are the other people who are under detention. The House should take note of it. In Saurashtra there was no peace and tranquillity for months. We all heard of the exploits of that desperado Bhupet Singh and the situation was getting pretty difficult and the result was that they had recourse to this particular Act and on the 31st of May, according to my information the Saurashtra Government had in custody 119 persons of all varieties from princes down, shall I say to peasants, *thakurs*, Zamindars and as a direct result of that action so anti-democratic according to hon. friends over there, the situation was brought under control and law was restored. The same is the case in Rajasthan. In Rajasthan you would have read in the newspapers and particularly in the Jodhpur Division that dacoits were roaming about. We had some recent cases, where there were encounters between the Police and the dacoits, a sort of running fight lasting for many hours and the dacoits were killed on the spot and 13 persons are under detention there. In Bombay to keep law and order, they have got the Goonda Act. It is in no way connected with Communists but those who were engaged in criminal activities have been detained under this Act and they number 182 altogether...

Shri S. S. More (Sholapur): Is the Minister aware that this Goonda Act has been utilized against political workers?

Dr. Katju: Not to my knowledge. The hon. Member will just let me go on. He will not suffer any way. I asked for information as to how many were the black-marketeers under arrest under this Preventive Detention Act and I am informed that on the 15th June, 1952, there were 93 persons of that variety. I do not know about this part of the House but if a vote were taken on that part of the House, at least some Members would be willing to vote: hang the black-marketeers first and try them afterwards. (*Interruption*). Everywhere. I am not talking of any foreign country because it is not necessary. The general feeling is that Government is not doing...

Mr. Deputy-Speaker: Why should there be interruptions?

Dr. Katju: So far as corrupt officials are concerned. detain them, try them, hang them by the lamp post and imprison them for ten years; nobody is anxious to safeguard civic liberties in regard to those people. I should like to see Prof. Mukerjee speak something in his eloquent way about black-marketeers. All that sympathy is only concentrated on a few Communists. Otherwise you do not care a two-pence about the essential supplies because you want to create havoc and chaos in this country. The more the essential supplies are interfered with or curtailed, the more you are happy. Take my view about this matter. The more there is disturbance to the security of a State the more you are happy. I shall deal with that matter tomorrow. Probably the Deputy-Speaker will say...

Mr. Deputy-Speaker: You must address the Chair.

Dr. Katju: I am sorry, Sir.

Mr. Deputy-Speaker: There will not be any difficulty if the hon. Minister addresses the Chair.

Dr. Katju: Shall I go on?

Mr. Deputy-Speaker: Now it is one O'clock. The hon. Minister may continue tomorrow.

Dr. S. P. Mookerjee: Before you adjourn the House, I want to make one request to the hon. Minister. We would like to have the number of persons detained under the Preventive Detention Act since 1st March, 1952.

Dr. Katju: If I can get it, I will give you the information.

Shri Nambiar (Mayuram): May I know how many hon. Members were detained...

Mr. Deputy-Speaker: Order, order. The House will now stand adjourned till 8-15 A.M. tomorrow.

The House then adjourned till a Quarter past Eight of the Clock on Friday, the 18*th July*, 1952.